Monday July 28 1980 CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM F/ 28; DENMARK K: 5.00; FRANCE F: 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS FI 2.0; NORWAY K: 5.00; FORTUGAL Esc 45; SPAIN PIS 70; SWEDEN K: 5.00; SWITZERLAND F: 2.0; EIRE 25g; MALTA 25c



ENERAL Cadbury aces counter

attack Peter Cadbury, who is hing a vigorous battle to gain the chairmanship of estward Television, from jo, is facing a strong counter- Page

Mr. Cadbury has made a umal call for a shareholders' seting to overturn the decion to replace him by Lord arris of Greenwich, and says has support from holders more than half the stock. The Harris side is preparing, Mar listing reasons for oppos-ig Mr. Carbury. Eleven of the 4 directors felt keeping him as

mairman could cost the comany renewal of its licence.

Velsh call

urther embarrassment to the overpment, which faces a condence vote tomorrow, is the யி of the Commons select mittee on Welsh affairs for selective jobs subsidy to fight nemployment. The committee as a Tory majority. Back Page

iossiga cleared

fter four days of hearings, the so houses of the Italian Parament rejected charges against remier Francesco Cossiga that a had abetted the flight of a terrorist and had reached the secrecy of investiations. Page 2

errorists escape

wo Turkish terrorists sennced to death for murdering le have escaped from a toprurity Ankara prison. Premier emirel has asked Parliament) approve executions of four ore terrorists convicted of olitical murders. Page 2

intwerp horror

ne child was killed and about 0 injured when two grenades ere thrown into a Jewish reup about to leave Antwerp o holiday. A man was arrested.

Ithiopian triumph lighlight of the Olympic Games n Moscow was the 10,000 metres ictory of Ethiopia's Miruts lifter. A Finn came second, nd Ethiopians third and fourth. last Germany won all the rowng golds except one, and British arsmen took one silver and two

Arm sewn back

surgeons at Withington spital Manchester sewed ick the severed arm of car grash victim Emma Taylor, 8,

oldier killed

he British soldier was killed and another injured by an explosion when on foot patrol on

country road in Co Tyrone, Six-hour ordeal

Four hundred passengers were stranded for six hours when storms washed away track on oth sides of Euston-Stranraer overnight express, near Girvan.

Tasty tomato National Vegetable Research Station, Wellesbourne, War-wickshire, has developed a Wellesbourne, Wartomato for canning that 80 per cent of housewives preferred to imports in a test. It could save

up to film a week in imports. Briefly. . .

4 woman and her mother, dister, and daughter were killed a head-on car crash in fog near Battle, Sussex,

Glasgow search for a baby boa Ponstrictor its owner reported missing from his car was called off when he found it under the dashboard.

BUSINESS

Nigerian reserves rise to peak level

(£3.7bn) in mid-July according to the country's central bank, representing substantial pro-gress as a result of rising oil issiward Television, from revenues and import curbs after hich he was deposed two week the 1978 financial crisis. Back

> • UK trade balance in motor products showed a surplus of £72m for the second quarter after a £128m deficit in the first quarter. Back Page

• HONG KONG's prime lending rate has been cut by 2 per cent to 10 per cent, in the fourth ith the help of lawyers, a cir- reduction since March when the rate stood at 16 per cent. Page 2

> • F.T. GROCERY PRICES index rose slightly in the last month to 129.04 against 128.53 a menth earlier. Page 6

• SIR KETTH JOSEPH, the Industry Secretary, is to transfer direct responsibility for Rolls-Royce to his department from the NEB. Page 4

• URGENT REVIEW of the effect of capital gains tax is demanded in a letter to the Chancellor by the London Chamber

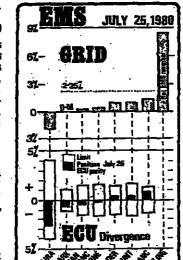
● EMPLOYMENT and economic policies of the Government will come under fierce attack at the TUC Congress in Septem-

DOMTAR INC., Canada's third biggest paper maker, is closing its Sunderland paper mill with the loss of 400 jobs.

COMPANIES

• NATIONAL STEEL, the fourth largest U.S. steel company, had net income in the second quarter of only \$3.3m (£1.39m) against \$45.2m (£18.99m) a year earlier, while sales fell to \$855m from \$1.1bn.

• NCR, a leading U.S. computer producer, is to spend \$155m (£65m) on expansion of its integrated circuits output. Back



CHANGES were minimal within the European Monetary System last week, with the Italian lira the weakest currency by a large margin weakest despite a steadier trend recently. Most attention centred on the second weakest EMS currency, the D-mark, and the possibility of a cut in Germany's discount rate, not now expected until after the holiday recess at the end of August. With no move from the Bundesbank, most other rates showed little change in Europe, although French inter-bank call money fell to a five-month low on Thursday, while the French franc maintained its position at the top of the grouping.

The charts show the two constraints on European Monetary System exchange rates. The upper grid, besed on the weekest currency in the system, defines the cross rates from which no curthe cross reses from visual in Con-rency (except the line) may more more than 2% per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself

Surveys: Kenya; Nicaragua

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Party. Diary

No early political reaction expected to Shah's death

BY OUR FOREIGN STAFF

The deposed Shah of Iran died yesterday morning at the Maadi Military Hospital, Cairo, where he had been undergoing treatment for cancer.

had been deteriorating since hostage problem. late last month, had started . Tehran reacted sinking on Saturday night.

President Anwar Sadat, of Egypt, paying affectionate tribute to the Shah on Egyptian television last night, said he would be given a State funeral on Tuesday.

Doctors said that the immediate cause of death was shock, brought on by circulatory problems. But the underlying cause was lymphatic cancer, from which he had suffered for several years.

The Shah's death was not expected to have any immediate political effects.

In Washington it is unlikely to make perceptible difference to the Carter Government's policies toward Iran. Attention is focused much more closely on the establishment of the new Government

in Tehran, expected in the next few days Ayatollah Khomeini has repeatedly said that the Iranian Parliament, expected to ratify Mr. Mustafha Mir-Salim as Prime Minister this week, must decide the question of the 52 U.S. hostages held since last

November. He is likely to reaffirm this.

The Shah, whose condition clearly ease if not resolve the Revolutionary Guard force, ad been deteriorating since hostage problem." standing outside the occupied ite last month, had started. Tehran reacted last night with U.S. Embassy, said that they subdued jubilation mixed with Enthusiasm was killed by the Americans. nd the initial reac- "Now they will want the disbelief. restrained, and the initial reac-

> Soon after the State radio had announced that "the bloodsucker of the century is dead" and special editions of the papers announced the Shah's death, cars turned on their head lamps and blew their horns. Motor cyclists sped through the

> announced simply "The Shah is dead." Mr. Mousavi Garmarudi. spokesman for President Abolhassan Bani-Sadr, in one of the first official reactions, said: "For us he has been dead for years. relations between Iran and the U.S., he added. His death can-

traffic, carrying placards which

not have any effect." The militant Islamic students holding the hostages, who have demanded the return of the Shah and his property, said last night that they would not comment on the new situation until Ayatollah Khomeini had spoken. Some Iranians expressed Nevertheless one former Iranian frustration that he could not Minister commented yesterday now be brought to trial. Two that "the Shah's death will members of the Paramilitary

suspected the Shah had been

tion of many was to suspect a trick to secure the release of some money," they said. Out the hostages. different parts of Tehran, only Shah's death.

It is clearly politic for those Iranians who feel any grief to keep their sorrow a private matter. In the 18 months since the Shah fled. even those diametrically opposed to the Khomeini regime have seldom advocated the Shah's restora-

Mr. Sadat, who alone among the Shah's former allies was prepared to give him a permanent home in exile, and last night His death cannot be anything said that he would be given exciting." Regarding future a State funeral, could thus a State funeral, could thus cause diplomatic embarrassment for Western governments over the level of representation.

The White House has not yet decided who will attend the funeral, but it is thought unlikely to be a top-ranking dignitary.

Speaking in a television broadcast from the Kubbeh Palace, where the Shah and his family have been housed during Continued on Back Page

Ministers and Bank take different view of strong £

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

the Bank of England are taking a different view of the desirability and impact upon the British economy of the strength of sterling. They are, however, united in rejecting any attempt to induce a fall in the exchange

Sir Geoffrey Howe, the Chancellor, and his ministerial colleagues believe that the high exchange rate has positive advantages in the fight against inflation and for living standards. In contrast, the Bank and some senior Treasury officials stress the damagaing long-term effects upon industry of the present level of the

pound. differences have become increasingly clear from recent ministerial speeches, and from Bank evidence to the Treasury and Civil Service Committee of the Commons.

The Bank's concern has not so far been translated into any specific policy proposals. There is general agreement that little can be done about the exchange rate in the short-term and its level will continue to be determined by market forces.

The issue is likely to be raised when Sir Geoffrey gives evidence this afternoon to the Treasury committee as part of its inquiry into monetary policy. Tense relations between the Government and the committee

The impact of the strong pound upon the competitive position of industry is also likely to be highlighted by the Confederation of British Confederation Industry's quarterly trends survey, due out tomorrow. This is expected to confirm recent evidence of a deepening recessqueeze and to lead to fresh CRI calls for lower interest rates, partly to relieve exchange rate pressures.

The Bank's worries stem to a considerable extent from its own extensive contacts with industrialists and its behind-thescenes work in discussing the financial problems of companies. Senior Bank economists

recently said the real (inflation adjusted) exchange rate was excessively high. The implication is that the Bank believes that the present damage to industry of a strong pound is more important than the potential future dangers of a higher inflation rate if the pound fell and pushed up the cost of imports.

Treasury Ministers have manufacturing companies but they have argued that this is

TREASURY MINISTERS and vice pay rises was strongly wait for a fall in the exchange rate.

> Consequently, Treasury Ministers have been assiduous in ensuring that there is no significant intervention to resist the upward pressures on sterling. Bank officials have said publicly that any attempt artificially to push down the exchange rate might not produce sustainsion and a tightening liquidity able benefits. Mr. Gordon Richardson, the Governor of the Bank, said last week that it would be "the height of stupidity" to intervene by selling sterling since this would drive

a hole through monetary policy. Similarly, decisions on when to change interest rates will continue to be determined by domestic monetary influences rather than by external factors. Any fall in sterling as a result of a sustained drop in interest rates would be regarded, at least officially, as a by-product rather than as an objective of

Officials and ministers agree that any artificial props to the rate should be removed. This has been reflected in the removal of outward exchange controls and the repayment of overseas borrowings. At prerecognised that the high pound sent the Bank and some Trea-makes life more difficult for sury officials have also been saying that a strong argument against the introduction of the inescapable result of North indexed-linked gilt-edged stocks Sea oil. The resulting problems is that they might attract signiwere further strained last week of adjustment should be faced ficant demand from abroad when the handling of Civil Ser- and it is wrong to hope and which would push up sterling.

British Airways out to undercut Laker North Atlantic fares

BY LYNTON MCLAIN

all other competing airlines on cation to the U.S. and UK civil the route from September.

The new fares offered by the State airline, subject to Government approval, include the lowest of any airline on the North Atlantic, an £84 single Standby off-peak ticket from London to New York and

Laker Airways' cheapest tion Authority, to cut £17 off single London New York Sky. its London to San Francisco and train ticket costs £95 in the peak and £85 in the off-peak. The unprecedented proposals, designed to win for BA

and unprofitable market, herald a potentially damaging battle among airlines to win desperately needed business. BA's Standby proposals for yesterday that competition on New York and Washington call the North Atlantic had always

fares to a new low of £114, single. The Standby single off-peak a greater share of a declining to Miami, a route also served

to £120.50.

Laker Airways, will drop by £8 to £86. Mr. Roy Watts, chief executive of British Airways, said

aviation authorities, to raise

the fare by nearly 14 per cent

The airline's other earlier

proposals for higher first-class

and economy fares will stand.

BA plans, in its application

to the U.S. Civil Aeronautics

Board and the UK Civil Avia-

Los Angeles standby off-peak

BRITISH AIRWAYS, in a bid for a cut of £13 off-peak and been strong. But "traffic growth on the North Atlantic, plans to

The decision to cut the peak in the value of the U.S. dollar undercut Sir Freddie Laker's Standby reverses a decision and by the recession in world Skytrain air fares and those of He described the tactics of

some airlines as those of "soap powder salesmen." However, "any reaction by

competitors to this fare initiative will meet with an immediate response from BA," Mr. Watts said. This suggests that BA, despite

severe cash problems, has plans to keep undercutting its competitors, including Sir Freddie Laker, who started the Atlantic fares war in September three years ago when his first Skytrain flew to New York. A further round of fare cuts

will please passengers, but the airline competitors can view the prospect only with fore-boding unless a substantial increase in passenger volumes

Continued on Back Page



Haughey condemns Noraid

By Our Dublin Correspondent

THE IRISH Prime Minister has condemned the Irish-American organisations, Noraid and the National Caucus, which are widely believed to support the Provisional IRA.

Mr. Charles Haughey's remarks, in a speech in Cork, followed a letter from Dr. FitzGerald, Opposition Leader, asking Mr. Haughey to state his views on these organisations.

Earlier there had been reports—later denied—that the Irish Government planned to move its Ambassador in Washington, who has been working to reduce the influence of the two organisa-

Mr. Haughey said there could be no genuine doubt about the Irish Government's attitude. It condemned all violence and condemned organisations which preyided financial or other support for violence.

Dealing with Noraid, which collects funds in the U.S. supposedly to help prisoners in Northern Ireland, Mr. Haughey said there was clear and conclusive evidence that it had provided support for the campaign of violence. There was evidence of an association between Noraid and the National Caucus. Dr. FitzGerald welcomed what he called Mr. Haughey's

belated statement. ● A key witness at the trial 10 years ago in which Mr. Haughey and others were acquitted of charges of conspiring to import arms, has said in a radio interview that the truth had not come out. Mr. James Gibbons, a former minister, whose evidence clashed with that of Mr. Haughey, said he had spoken to Mr. Haughey as recently as a few months ago, asking him to clarify the conflict of that time, but that nothing

had happened. Editotrial Comment, Page 16

DEMOCRATS' UNEASE GROWS Search for alternative

BY DAVID BUCHAN IN WASHINGTON

NAMES NOW being canvassed to lead the Democratic Party into the U.S. Presidential election this autumn include Vice-President Walter Mondale and Mr. Edmund Muskie, Secretary

The party wants a way out of the apparent impasse created by Mr. Carter's rapidly by Mr. Carter's rapidly declining fortunes and Senator Edward Kennedy's failure in the

1980 primary elections. The 11th hour search, launched late last week by 40 Democratic Congressmen for a presidential alternative to Mr. Carter and Senator Kennedy. stems from the current political storm over the relationship of the President's younger brother. Billy, with the Libyan Govern-

A Senate investigation of Billy Carter's conduct, and how the Administration has handled the case, is to get under way this

Fresh ammunition for critics has been provided by Mr. Benjamin Civiletti, Attorney General, who has admitted that he talked to President Carter about his younger brother's Libvan links while the Justice Department was investigating. The Department's own internal ethics unit is now examining whether Mr. Civiletti's be-haviour was improper.

Seasoned

This political embarrassment for the President comes after an opinion poll on Friday put him 28 per cent behind Mr. Ronald Reagan, the Republican nominee, in the presidential race. Another Harris survey since has shown an unprecedented 47 to 43 per cent lead for Republicans over Democrats, for control of Congress. The Democrats have won a preliminary battle on had a majority in both Houses this point against opposition of Congress since 1955.

Among the Democratic Congressmen searching for an alternative to Mr. Carter are three younger members of the House, Mr. Michael Barnes of Maryland, Mr. Toby Moffett of few seasoned liberals such as They and other Congressmen fear they could be dragged down in November by Mr. Carter.

The President's economic Secretary, said at the weekend.

policies are blamed for the The group which aims to depression and high unemployment. His foreign policy is seen by many as ineffective, though

to Carter should the Shah's death contri-

SURVEYORS VALUERS AND AUCTIONEERS OF REAL ESTATE

> bute to the release of the American hostages in Tehran, Mr. Carter would reap considerable political benefit. Senator Robert Byrd, Senate Democratic leader, said over the weekend that the Party leader-

ship still regards Mr. Carter as the favourite for the nomination. The President won in the

primaries nearly 2,000 of the 3.331 delegates to the Democratic convention, which opens in New York in two weeks' time. There is little precedent for a presidential nominee to emerge who has not first played some part in the primaries. In 1968 the late Senator Hubert Humphrey did so after Senator Robert Kennedy's assassination.

Among the alternatives discussed Mr. Mondale is in the most awkward position. An able and popular man who could appeal to all segments of the party, he has been a Carter loyalist and has tried to discourage speculation in the last few days that he intends in any

way to supplant him. Mr. Muskie, a former Senator like Mr. Mondale, and a presidential hopeful in 1972, has been more equivocal. He has not ruled himself out as a lastminute choice. But, when tak-ing over the State Department in May, he said his political ambitions were over and his age -at 66 he is only four years younger than Mr. Reagan-

-could count against him. If a dark horse is to emerge at this late stage, the conven-tion would have to set aside the rule proposed by the Carter campaign, that delegates must vote on the first ballot for the candidate whom they were originally elected to support. The Carter forces have already from the Kennedy campaign.

Push

The push now by some Demo cratic Congressmen for an open convention, in which delegates Connecticut, and Mr. Timothy could vote for anyone they Wirth of Colorado, as well as a pleased from the start, is being described by the White House Mr. Don Edwards of California. as a stalking horse for Senator Kennedy. It was a clear attempt to exploit the President's present troubles, Mr. Jody Powell, White House Press

> oust Carter says it is neutral in the long fight between Mr. Carter and Senator Kennedy.



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The Shah of Iran: a victim of the myth he inspired

passed. No matter what befalls and ally." the Islamic revolution of changed irrevocably. More, a vision which the West was fully prepared to endorse, of a backward Middle Eastern country abandoning its past in one bound to join the industrialised world, has also died.

Mohammad Reza Shah was ally overcoming this weakness, the second ruler of the Pahlavi Mohammad Reza Shah was dynasty, established in 1925 by his father, Reza Khan, a tough. uncomplicated soldier who his friends and advisers— modelled himself on Ataturk through death, disenchantment in neighbouring Turkey.

The son's greatest wish and thus perhaps his greatest him—the Shah turned back to disappointment — was that he the West for help and support. would not be the last of his line. In his later years the Shah With hindsight, it was a failure

It is ironical that Mohammad Reza Shah should have died in these circumstances in Cairo. A man deeply conscious of history and historical parallels, he considered the prospect of followto avoid at all costs. In consequence he attempted to create firm honds of mutual 16, 1979, leaving behind scenes interest with the West, of wild jubilation among a interest with the West, especially the U.S., identifying himself and his throne with the survival of his country.

For 25 years, from his restoration in 1953 in a CIA-backed coup. to the sathering turnoil in late 1978, the stratocy succeeded. Despite changes of emphasis in Republican and Democratic administrations in Washington, through seven U.S. regarded, as President Jimmy to time, had; achieved some

WITH THE DEATH of the Carter put it on New Year's exiled Shah of Iran an era has Eve. 1977, as "our closest friend

The first of the Pahlavis had Ayatollah Khomeini, Iran has been forced into exile in 1941 when Britain and the Soviet Union occupied Iran.

This humiliation, and the manner in which he came to the throne as a puppet of the Allies, left an indelible mark on the young monarch. Gradupever able to shake it off entirely. In the end, hereft of and the political oblivion which hefell all those who stood up to

This time the circumstances were different from those in was preoccupied with ensuring 1953; the Shah was vacillating the smooth succession of his in the face of a powerful and son. Crown Prince Reas, trying seemingly unstoppable grassto create from the top a politi-roots movement led by the cal system which would endure. clergy: the Carter administration was deeply divided on the seriousness of the challenge and how to respond to it: Britain was not prepared to take an independent position. In his last few weeks on the throne the West signalled the withdrawal of its support and the ing his father into exile, a fate Shah felt he had no other option but to go into exile.

He left for Cairo on January wild jubilation among a people who had come to blame him for all that was wrong with their country, the main onstacle to a cleansing and reordering of Iranian society: though few could foresee the future after later). the monarchy.

It was a fundamental change by the majority as a permanent was fixture and indeed, from time





POMP AND CIRCUMSTANCE: From left, in his full regalia; with the Empress Farah as a soldier kisses his feet; and in Panama

deserted him (" How could they U.S. commit hari-kari?" he demanded in an interview a year

His contempt for the abilities Khomeini movement. Thus right needs.

was incapable of grasping the part in his own downfall and, fact that "his people" had instead, blamed Britain and the

Ultimately the Shah was a victim of the myth he inspired and encouraged about himself. as an all-powerful ruler drawing of heart towards a man who had of the clergy had also blinded strength from the love of his for many years been accepted him to the strength of the people, in touch with their He believed that only up to his death he refused to the institution of monarchy believe that the 80-year-old could hold the heterogeneous

cenuine popularity. The Shah cleric could have played such a races of Iran together, or at hand led Mohammad Reza to was incapable of grasping the part in his own downfall and, least so he argued. And in him identify his own power and the mystical side to every Iranian's character was transformed into a sense of divine mission, to revive his country's ancient glories.

The fact that he survived at least three assassination attempts from Right- and Leftwing opponents confirmed him in his belief that he had divine protection.

In practice this sense of God's

glory with that of Iran. in the eyes of Iranians and the outside world. How the rest of the world regarded Iran became a source of highly exaggerated

Hence his sensitivity towards foreign criticism and demonstrable need to command Hence the extraordinary jamboree at Persepolis in November 1971 to mark the 2.500th anniversary of monarchy in Iran. It was an attempt to link the Pahlavis—a parvenu dynasty defying historical trends elsewhere in the world with the Achaemenid Empire.

This striving after respect and legitimacy compelled the Shah to emphasise Tran's pre-Islamic origins and the Aryan race of most of its people at the expense of its religious traditions and heritage. Aware of the conflicts his father had had with the clergy, based in the holy city of Qom. and of the desire of the theological establishment to check the monarch's powers. Mohammad Reza systematically sought to subjugate the mullahs and eradicate their influence in the minds and lives

of his people. Political expediency and the ambition to fashion a new. model Iran were combined. Throughout his reign the Shah laid great store on building large, well equipped armed forces and devoted whatever

task. Not only would they defend his own position as a force loval to himself alone (his success in this goal was underlined by the speed of the army's collapse in February 1979 after his departure), but they would also become the backbone of secular Iran.

In his task of reshaping Iran an important contribution was made by his third wife, Empress Farah, who was deliberately built up to represent the human face of the regime, a counterpart to the stern, magisterial father-figure - image of - the monarch. The marriage in 1959 also produced the much needed heir and three other children.

It may well have been the stimulus for the third and finalphase of the Shah's long rule. Thus in 1963 he launched his "White Revolution." It was a package of economic and social reforms based on land reform, but at the same time the Shah assumed full powers to overcome what he saw as the impediment to economic development represented by the politicians and the aristocratic

landed elité. The philosophical and ideo-logical principles behind the Shah's vision were incorporated in three books; the last, "Towards the Great Civilisation" was published when the dissent that was to bring him down was becoming stronger by

the day. The concept of what was known as the "Great Civilisation" epitomised the extent to which the Shah had, by the mid-1970s, lost touch with practical realities. In this dream, preached to a people experiencing an unprecedented oil revenue-fuelled boom, Iran would reach the ranks of the world's top five nations within 20 years and its people would live in social barmony and contentment

The reality of Iran at the height of the Shah's power and international acclaim in the mid-1970s was very different. It was a morally corrupt society with no political or intellectual life of its own, ruled by the all-persuasive secret police

Everyone except his mitted opponents on the Left and the religious Right was nevertheless prepared to go along with the dream when it was producing the kind of benefits which had transformed living standards within a generation. But when it faltered, following a downturn in the world oil market, distillusion-ment was open and widespread. The stage was set for the dismissal in August, 1977, of his longest serving Prime Minister. Amir Abbas Hoveyda, and the sequence of increasingly des perate expedients to stop the rot-to no avail. **Andrew Whitley**

THE ACCUSED was an unshaven young man in his late twenties, a face which loday would be indistinguishable in a

> strators. He was reading out a long demunciation of the Shah and the U.S. that was a mixture of half-baked Marxism and a passionate sense of injustice It was clear at once that he was one of those on trial who had refused to sign a confession pleading for forgiveness for his crimes against the Stah's regime. At the end of the end of the end of the control of the sound the given the usual sentence of death by firing squad.
>
> It was party in 1972 when the

crowd of slogan-shouting demon-

summary

justice-at

first hand

It was early in 1973 when the rise in oil prices seemed to be bringing closer the Shah's dream of the Great Civilisation. I had driven up through the snow to the military courts on the Old Shemiran Road.

Futility

I sat at the back of the room wondering at the conrage (or was it stupidity?) that had driven this young man (and many like him) to the rutility of taking up arms against the Shah. with no hope of avoiding cap-ture by Savak. Suddenly there was a stir in the court and before I knew what had hap pened, he had finished reading, walked directly up to me and thrust into my hands a thick wad of documents.

Four or five Savak officials immediately seized me and took me upstairs to a sparsely furnished room. It was immediately made clear that I could not leave until I handed the documents over. There was no questioning of telephoning the British Embassy, or any other legal nicety.

Suspicion

Never before or since have I experienced such fear as during the three or four hours' that followed during which I tried to negotiate the terms on which I would hand over the documents.

As I fluxly caved in I expected to be released imme-

diately. Tostead three or four men pounced on me again. Their suspicion, as I realised afterwards, was that I had con-cealed some of the papers and they were determined to get them from me by force. My instinctive reaction was to grab the documents back again from the senior interrogator. But in moment they had thrown me to the floor and the documents (I had kept none of them) were back in their hands. David Housego

Wilting memorials to an overblown regime THE SHAH arrived in a dark place on the highest of these begun to gouge out the central suburbs.

blue Rolls-Royce with smcked-plass windows. Waiting aides anything was going to be built jumped to open the door but first they let the dust from the road settle. The Shah emerged. a small man wearing dark glasses and a business suit. He smiled distantly at the group of hand-picked onlookers.

It was back on August 19, 1975, and the Shah had come to lay the foundation stone for one of his pet projects — a new commercial and administrative centre for Tehran.

The project site covered nearly 5m so metres, but then this was said to be the largest undeveloped urban space in the

there, but because it was the highest and enjoyed magnificent panorama.

In order to give a sense of

occasion to the formal inaugura-

tion of the biggest urban undertaking in the Middle East. trees had been planted on top of the hill. They had been flown in specially from Holland and had been planted two or three days the fierce heat and infertile soil.

have ended after local manage

ment pledged wage increases.

emerging in the form

A more serious threat is

demands by the strikers for

improved supplies to local shops. This will be difficult to meet. Copper miners stopped

work for several shifts a week ago, demanding improved sup-

plies, but made no mention of

Widespread strikes in the

western town of Osprow Wiel-

way repair workers among

But other areas are beginning

Already, the local authorities

in Czestochowa for example, are

supplies to strike-hit towns.

wage rises.

special significance ended this week-end when rail-

to the country's having to limit the amount of meaning the Soviet food people can buy in local

This year. Mr. Gierek's talks kopolski (population 60.000),

than 80 strikes in support of higher wages, as well as against the higher meat prices intro-

Last week, transport strikes to suffer as the authorities are paralysed Lublin, in Eastern being forced to switch scarce

OTHER OVERSEAS NEWS

Gierek to hold talks

with Soviet leaders

MR. EDWARD GIEREK. the Polish authorities have adopted Polish Communist Party chief. a conciliatory stance towards left for talks with Soviet leaders. the strikers and the stoppages

on labour unrest

BY CHRISTOPHER BOBINSKI IN WARSAW

yesterday as the Polish authori-

ties face what could be the most

serious long-term threat of the

present labour unrest at home.

described as a holiday. Such

visits in mid-summer have

become a traditional event for

him and other other East

European leaders in recent

years, and the talks in the

Crimea usually combine busi-

Polish industry has seen more

Poland, for a day and the

authorities warned that the

situation there "could cause

Union. But in general the shops.

ness with pleasure.

duced on July 1.

Mr. Gierek's trip is officially

Shah-Nation

This would be larger than Red Square in Moscow, hitherto the biggest in the world. Naming this central feature after the Shah and the nation, would emphasise the relationship which the Shah felt in his self-cast role as father-figure towards his nation, Either to flatter the Shah or

on his own insistence. I suspect before. Despite a liberal water a mixture of the two, all the ing, the trees were struggling in main project sites in the develmain project sites in the devel- with his own custom-built opment designs were called ambulance one of the some 25 after the Shah or the Empress, official cars that followed The ceremony was brief, after the Shah or the Empress.

Accompanied by Mayor Ghelam as though they were personal Reza Nikpai of Tehran the possessions. The development world, a series of rolling but Shah was shown the scheme itself was called Shahestan after a month they had totally barren hills and wide which he had personally champulleys. The ceremony took pioned Already bulldozers had Pahlavi Shahs." The name had often driving up to the northern

been greeted coolly by Tehranis who had traditionally known this piece of empty land as Abbasabad. The Shah and his entourage watched work beginning purposefully on a project they hoped would be finished in 15 years.

The ceremony over, the Shah was ushered amid low bows into his waiting car: the motorcade was off, the Shah a lonely figure perched stiffly on a specially elevated back seat. He travelled even in those days behind him.

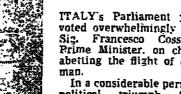
The trees wilted quickly and

suburbs. They looked like bedraggled blown out candles on a birthday cake. Shahestan Pahlavi was one of the first projects to be shelved by the revolution

Indeed it only just escaped being pruned when the money squeeze was felt in 1977. It will now probably never be implemented, an unfinished monument to Tehran's anarchic

. Mr. Nikpail the unfortunate mayor of Tchran, was among the first of the Shah's officials be executed-blamed for bulldozing down parts of old Tehran. I was told that his wife had to pay 300,000 rials to obtain his last letter written in

Robert Graham



political triumph for the Premier, Parliament absolved Sig. Cossiga by 535 votes to 370 on the first "impeachment" secrecy which surrounds investimagistrates.

threw out the second charge that the Premier had used confidential information to warn Sig. Carlo Donat Cattin, his senior Christian Democrat party In a considerable personal and colleague, that terrorist charges were about to be levelled against the latter's son, Marco,

The outcome of the four-day

In doing so, it automatically the PCI had insisted that the Cossiga, broke ranks, but the affair, the first of its kind to involve a Prime Minister in office, should be brought before oth Houses of Parliament. reinforced the three-party The 952 deputies and senators coalition of Christian Democrats, both Houses of Parliament.

> primarily by the Communists, that further investigations should be made into the case.

defections do not appear to have been serious. The final result has probably

also rejected a motion backed Republicans and Socialists. The new political mood, coupled with a general sense of

The narrower margin here, of and often undignified "impeachment" proceedings, means that secrety of the ballot, some Sig. Cossiga's Government now members of the parties who looks reasonably secure until the were pledged to support Sig. autumn at least.

them, and prevented them set-ting off the alarm, the state-

Interbank rates have been several points below prime and banks have been losing business to deposit taking companies. However, the steep cut is a

interest

rate falls

By Philip Bowsing in Hong Kong

PRIME LENDING rate in

Hong Kong has been glashe

by two percentage points to 10 per cent, the fourth cut

since rates peaked at 16 per cent in March and justified for the banks by international

treads and the high liquidity

prevailing on the local money

slap in the face for the Government Double_digit_inflation.

very large trade delicit, buoyant consumer demand and a still rising stock market suggest that lower interest rates can now only complicate Hong Kong's readjustment problems to the growing recessionary trend

Kuwait police force shake-up

TWENTY-EIGHT officers have been retired in a major shake up of Kuwait's police force following a deteriorating security situation in the Gulf country, Renter reports from

Sheikh Nawaf al-Abmed al-Sabah, the Interior Minister, announced that the retired officers included a colonel, nine lieutenant-colonels, 12 majors, five captains and one lieutenant. Earlier this month a bomb blast killed two people and wrecked the printing presses of Al-rai Al-asm news

Last April unknown gun-men tried to kill Mr. Sadegh-Qotbradeh, the Iranian Foreign Minister, when he was visiting Kuwait. Later the Iran Air office was bombed. The Government has so far reported no arrests

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Bolivia troops aim to starve out miners

ORURO. Bolivia-Thousands Bolivian miners yesterday continued a 10-day strike of resistance to the country's military rulers, surrounded by troops attempting to starve them into submission.

Miners who eluded the military siege to buy supplies in this Andean city 180 miles south of La Paz, said most of the country's 50.000 militant miners were prepared to extend the strike indefinitely. "Wo need food and suffer from hunger, but we do not lack the courage to continue our struggle," one miner said.

been reported killed and 15 injured in clashes since Army troops supported by armoured units and reconaissance planes marched to the area after the overthrow of President Lidia

Priests working in the area said military roadblocks had prevented them from going back to their parishes in Catavi. Siglo Veinte, Llallagua and Huanani, four major tinproducing centres isolated by

David Buchan adds from convicted of murder. Washington: The U.S. has hegun withdrawing its military mission from Bolivia, as well as ending military aid and recalling its Ambassador from La Paz, as a further mark of terrorists, disapproval of the recent coup



Sig. Francesco Cossiga

THE CIVIL Governor of wing of ETA the Basque separ-Vizcaya Province, in Spain's atist organisation, involves one Basque country, is studying of the largest quantities of exemergency plans to evacuate the

BY OUR MADRID CORRESPONDENT

work of a seven-man terrorist blocks

group belonging to the military traffic.

population of Bilbao in the The explosives are theoretilight of police suspicions that cally capable of blowing up a 7.85 tonnes of explosives, city, or the equivalent of stolen last Thursday night, may 100,000 tonnes of rock. Over be hidden in or around the the weekend, police began city.
The theft, believed to be the

At least seven people have

Cossiga acquitted on impeachment charges Hong Kong

BY RUPERT CORNWELL IN ROME

ITALY's Parliament yesterday voted overwhelmingly to acquit Francesco Cossiga, the Prime Minister, on charges of abetting the flight of a wanted

indictment, that he breached the Parliamentary hearings consti- 507 to 416, indicates that in the tutes a significant defeat for the Communist Party (PCI).

plosives ever seized in Spain.

Bilbao. In Madrid police road

severely

searches

disrupted

house-to-house

For largely political reasons,

Police fear ETA may try to blow up Bilbao

guards stationed at the arsenal of Soto de la Marina, five miles 100,000 tonnes of rock. Over

leased by Sen. Juan Jose Roson,

Minister of the Interior, the

separate posts at the time of storing more than the authorthe incident. This made is easy ised amount of explosives.

theft was made possible by negligence on the part of two ment said. The two men were later found chained to trees beside a secondary road. The Minister warned that action will probably be taken outside Santander. tion will probably be taken The Minister claimed that the against the private company guards were talking to each operating the arsenal, Explo-other instead of standing at sives Rio Tinto, for allegedly

According to a statement re- for the attackers to overpower

Two terrorists escape from Ankara gaol

BY METIN MUNIR IN ANKARA

TWO RIGHT-WING Turkish in the past four months, often

Parliament for its approval of 23. The request was believed to

have been intended to demon- Opposition leader, called their the Turkish army were prepared Nearly 100 people have unexpessaped from prison in Turkey state.

terrorists, sentenced to death with the help of their civilian on charges of murdering five or military gaolers. In a country people and wounding another where left- and right-wing 12. have escaped from a maxi- terrorists can find sympathisers mum security military goal in or accomplices in state organisa-an army camp in an Ankara tions, the battle against terrorism is a hard one. The two got away hours after. The two who escaped yester-

Mr. Suleyman Demirel, the day were Mr. Isa Armagan, 21, Turkish Prime Minister, asked and Mr. Mustafa Pehlivanoglu. An investigation revealed their execution, along with two that they had escaped on Saturextreme Left-wing terrorists day night through a hole in the gaol roof. Mr. Bulent Ecevit, the main

strate that the Government and escape "an inexcusable scandal" which demonstrated that "the to respond severely towards accomplices of right-wing terrorists have infiltrated the most unexpected echelons of the

The atmosphere of co-comment on the escape, but a operation between Mr. Ecevit party spokesman called it and Mr. Demirel, who met three days ago to reach a limited agreement on legislation to combat terror, appears to have worsened. Mr. Ecevit said that under Mr.

ment is aggravating as an burg. excuse for establishing a dictatorial regime."

ago, said he would do every-

party spokesman called it "extremly regrettable."

S. Africa deaths THREE PEOPLE died and

several were injured in violence Demirel's right wing minority which erupted in the South Government "the state of African town of Grahamstown Turkey and its economy have on Saturday, after the funeral collapsed." Mr. Demirel, he said of a youth killed in earlier dis-"is trying to use events and orders, police said yesterday, problems which his own Govern-Reuter reports from Johannes-Reuter reports from Johannes-

. The dead, all black, included a shopkeeper stoned to death by The Social Democrat, who was rioters, a man who died from Prime Minister for about two birdshot wounds when police years until about ten months opened fire during the rioting and another man found dead thing to force Mr. Demirel to from still unexplained causes, resign. Mr. Demirel made no police said.

funeral violence BY IHSAN HIJAZI IN BEIRUT FOURTEEN PEOPLE were Mr. Taba's funeral procession reported to have been killed in passed through Baalbek on its fierce clashes on Saturday at way to his hometown of Al the ancient town of Baalbek in Hermel. 30 miles to the east, Eastern Lebanon, some 90 miles for burial.

14 killed in Lebanon

The fighting, between militia-men of the Shifte organisation. Only the intervention Palestinian guerrillas, broke of the Arab League deterrent Riad Taha, the President of the the situation was still highly Lebanese Press Association, who tense with gunmen manning was assassinated in Beirut last road blocks and taking positions Wednesday.

east of Beirut. Police said there

Senior officials, including Mr. was also a large number of Selim al Hoss, the outgoing casualties some of whom had to Prime Minister, were trapped in be rushed to Beirut for treat- a local hotel during the violence. Dr. Hoss insisted on staying on

Only the intervention Amal, rival local factions and several hundred Syrian troops out during the funeral of Mr. force checked the violence, but

Commission probes U.S. styrene dumping

THE EUROPEAN Commission tain volume sales in the face making of plastics. CEFIC is has now formally opened an of competition from cheap U.S. known to be preparing further anti-dumping case against the U.S. over imports of styrene, a base chemical used in the making of plastics.

... The move follows a formal complaint by the European Council of Chemical Manufacturers' Federations -CEFICwhich represents the main styrene producers in Germany, France, the UK and Italy. CEFIC said at the weekend that imports of styrene from the U.S. appeared to be taking an ever larger share of the European market with producers in the UK and on the Continent being forced to slash their prices as

are understood to have cut their styrene prices by up to 20 per already carrying out an investi- dependently buy up to 75 per cent between January and May gation into U.S. dumping of cent of their sulphur elsewhere,

material. But the American anti-dumping companies are tending to lower their prices further, about one U.S. month shead of the Europeans.

U.S. producers are now alleged to be selling styrene in Europe for \$171 a tonne less than they are selling it in America—a calculation based on ex-factory prices. The \$171 represents 26 per cent of the cif costs, insurance and freight-

Europe rose by 23 per cent Britain and Ireland to change between 1978 and 1979. It is the rules of their agreement for estimated that during the first buying imported raw sulphur by three months of this year, U.S. means of a joint buying pool. styrene was entering Holland It can only continue as long as a result.

alone at twice the rate it was an illegal condition that the in the first quarter of last year, companies buy exclusively from

imports of chemicals from the

It is thought OEFIC may be ready to present anti-dumping cases on phenol, paraxylene and orthxylene—all used in the products from pharmaceuticals fibres to the Commission by September.

• The EES Commission has in-U.S. exports of styrene to structed 19 companies in The European Commission is it is dropped, and members in-

Curbs cost consumers \$2bn

BY DAVID BUCHAN IN WASHINGTON

visions, textiles, non-rubber benefits are "very high to shees, and sugar, and they members of the affected incould freely buy the cheaper dustry, and the costs dispersed according to a new Commission

The FTC staff study has no official status, but its release coincides with recession in the the FTC study claims. U.S. that has put pressure on the Carter Administration to step protectionist measures.

tion has a snowballing effect. ment protection," becomes a precedent for other radios, to various forms of the car issue, and this may come industries which claim that quotas for tvs, textiles and after the November 4 election.

AMERICAN consumers would they have been damaged by shoes. Sugar, in addition, resave \$2bn a year if U.S. trade imports. Yet, it also says, proceives domestic price supports. restrictions were lifted from tection is often politically hard short wave radios, colour tele- for governments to resist. The

> The bigger the industry seeking an import quota or tariff, the better its chances of getting government approval for this,

> among possibly millions of

The commission staff selected the five products for examination "because they have signifi-The study warns that protec- cant and varied types of governranging from Granted to one industry, it tariffs in the case of short-wave

The Carter Administration has prided itself on its free trade record, with the President for instance removing "trigger prices" for imported steel this spring, when the domestic steel industry filed an anti-dumping suit against European com-

But Mr. Carter is under strong pressure to take some action against Japanese car imports, which have captured a quarter of the U.S. market. That is conditional, though, on a preliminary ruling from the International Trade Commission on

Talbot confident about future of Iranian project

BY SIMON HENDERSON

from kits supplied by Talbot UK is continuing at a rate of 85 to 90 per cent of planned levels despite the turmoil of the revolution. Talbot officials say they are confident of the project's future. There had been doubts recently because Talbot had to put part of the labour force The project established dur-involved in making up the kits ing the Shah's rule involves the at its Stoke engine plant in

Coventry on short time working. The problems in Iran have been mainly associated with the secondary suppliers who have failed to keep up stocks of such items as tyres, wiring and exhaust systems.

PRODUCTION of cars in Iran talks with the powerful workers committee there which effec-tively runs the plant.

The contract is not affected But the company says there by EEC sanctions brought in are no basic problems with the support of the U.S. over the £150m a year contract. Not hostages issue. Talbot is conwithstanding the local supply tinuing to ship between 8,500 problems it is happy with the and 9,500 kits each month and operation of the Iran National at any time reckons on having plant just outside Tehran and two months' worth of stocks in

£15m orders for India

tion of Indian industrialists has Iran. returned from Iran with orders of India's Engineering Export romotion Council.

The delegation went to Iran following a visit to India last month by Iran's Commerce Minister Reza Sadr seeking

A delega- tern economic sanctions against Mr. Punj said business with

> that car parts alone represented potential business Rs 10bn. He added that his delegation

Talbot maintains an office in

Tehran manned by two expatriates to deal with immediate problems and a senior executive visited recently on what is described as a routine visit.

production of the Hillman Hunter model, known locally in Iran as the Peykan. The engine, suspension and gearbox are manufactured in Britain. The bodywork and final assembly is undertaken in Iran.

Indian goods to counter Wes-

for Rs 280m (£15.2m) of goods. Iran could easily reach Rs1bn according to the delegation now potential Iranian customers leader Mr. V. P. Punj. chairman have been identified, adding

> had received many proposals for joint ventures but declined

ONE OF THE BARGEST

Australia delays decision on textile protection

BY PATRICIA NEWBY IN CANBERRA

A 1,500 page report from the Industries Assistance Commission (IAC), the body which ment.
advises the Government on The tariffs and quotas, was expected to be made public last week.

But Mr. Phillip Lynch, the the three industries standard Mr. Vic gradually scaled down. Garland, the Business and Consumer Affairs Minister, emerged from a Cabinet meeting on the subject on July 23 and announced that a decision on the report had been deferred indefinitely "pending further work by officials on a number of

The IAC draft report of a year ago recommended gradual reduction in protection over the five years from August 1981 and replacement of quotas with bounties until they could be and therefore in less need of phased out completely.

Measurement of protection is notoriously difficult. A measure used by the IAC is the "effec-tive" rate of protection which is the percentage by which value added per unit of output is increased by tariffs, quotas and subsidies. Using this measure, the effective rate of protection on textile average 57 per cent, many textiles entering duty-free. For clothing and footwear, the rate is 149 per cent.

The IAC draft report met with howls of protest from the powerful textile lobby which claimed that factories would close and jobs would be lost.

ment has again delayed making about 120,000 people directly a decision on the sensitive and about 200,000 indirectly. question of levels of protection The workforce represents 11 per for the country's textiles, clothing and footwear industries. manufacturing and is the second largest manufacturing sector after transport equip-

> IAC came up with a was the same-protection for the three industries should be

Just as the IAC was putting the finishing touches to its final report the lobby group for the three industries split. Some of Australia's leading apparel manufacturers formed a breakaway group which came out publicly in favour of lower protection on textiles. The group argued that this would boost the apparel industry by more than the loss caused to textile manufacturers and in turn make manufacturing more competitive

The group pointed out that the textile industry was largely capital intensive and that the capital intensive and that the agriculturary products while areas where jobs could be closing its own market to gained or lost were mainly in manufactures. The footwear and clothing in Apart from the practically the footwear and clothing in-

which is opposed to protection scaling down protection. because it raises farmers' costs

before the ead of the year the ing lower protection at least Government sees itself in a "no until after the next election.

THE AUSTRALIAN Govern The three industries employ win situation. Lower protect tion is likely to be seen as a forerunner to higher unemployment—the current level is 6 per cent. On the other hand delay is causing textile and ciothing manufacturers to defer investment decisions which

could also affect employment. Maintaining the current promilder draft report, but the gist tection levels would elienate the anti-protection group and fly in the face of advice from Treasury which says the ex-change rate is likely to come under pressure in the next few years as exports boom and imports are restricted. Australia already has a mounting surplus

on its current account. There are also the foreign policy issues. The Association of South-East Asian Nations (ASEAN), which is of immense strategic importance to Australia. has been pressing for greater access for goods. Another argument is that

Australia would lack credibility in its trade battles with countries like the EEC, the U.S. and Japan over market access for products while

there ils practically These arguments were unanimous feeling among poliimmediately taken up by antiprotection groups, led by u.c.
National Farmers Federation
would be better; served by

But the employment and puts pressure on the ex- cations are so unpalatable that it is unlikely the government change rate.

it is unlikely the government.

With an election looming would take the risk in announce.

With an election looming would take the risk in announce at least

Lagos pilot strike in sixth day

BY MARK WERSTER IN LAGOS

seriously affected by a ships' pilots' strike which enters its only 15 ships were waiting for sixth day today, with no imme- entry before the weekend. diate prospect of a solution, the Nigerian Ports Authority has

A ports authority official strenuously denied Nigerian Press reports that Apapa Wharf and Tin Can Island had been crippled, following unofficial action by some of the 22 ships'

pilots in Lagos. Mr. Robert Napier, general manager of Elder Dempster in Nigeria, said There may be some delays but basically, ships are moving. Three or four short of tugboats for the inexpatriate pilots were working, creasingly busy Lagos Port. Its was the Chief Harbour own were getting old and four Master. Dispensation has been new ones which had been given to ships' captains who ordered had not yet arrived.

wish to move their own ships. But there are conflicting half the Nigerion pilots are fol-lowing the strike. An official Egyptian crews. Junior port to about three weeks.

ment with China's Consruction

Corporation to employ 700 Chinese workers for its oil

refinery construction project in

Tris is the first case of a Japanese concern using Chinese

workers for an overseas con-

struction project. The project

calls for construction of a Y65bn (£124m) oil refinery capable of

handling 150,000 harrels of crude oil a day, in Baiji, by the end of March, 1982, for Irad's

THE PORT of Lagos is not said that some of the 71 berths staff took exception to the in Lagos were vacant, and that presence of the Egyptians and

> Negotiations are continuing with the men to get them back to work, a port official said, but the authority is refusing to recognise the body which represents the strikers.

The official pilots' union, the Nigerian Ports Authority Senior Staff Association, has dissociated itself from the action, the official

To tide them over until the new ships arrived, the authority reports which say that less than hired four tugboats on condi-

He said the agreement was

signed by Wang Yaoting, chairman of the China Council for the Promotion of International

Trade, and Mitsui chairman

Yoshizo Ikeda on behalf of 23

separate companies in the Mitsui

Mitsui companies to give techni-

cal assistance to Chinese enter-prises in the fields of light in-

dustry, agriculture, energy, chemicals and foodstuffs, but

The agreement calls for the

went on strike until they were replaced by Nigerians.

The authority agreed to their demands and the strike ended after only three days. But some senior staff who had been ordered to carry out the juniors duties while they were on strike had refused, so the management sent them disciplinary letters, the authority said. The present industrial action follows demands by the five men who

Nigeria's ports have expanded considerably in the past few years. The opening of Tin Can Island in 1977 meant a rapid improvement in the waiting for ships. Before its opening, an average of 92 ships were waiting for berths and the turnaround time was 33 days. That has since been shortened

received the letters to have them withdrawn.

SHIPPING REPORT

Dry cargo rates start to firm

By William Hall, Shipping Correspondent

FREIGHT RATES in the dry cargo markets have started to strengthen after their recent sharp fall. In the important U.S. Gulf-Europe grain trade, a 51,000 ton cargo was fixed at \$16.50 per ton which compares with a benchmark figure of \$15 per ton recently.

coal trades are being rumoured for September cargoes. Increasing congestion at U.S. East Coast loading ports (where 15-30 day delays are not unusual) coupled with the Australian miners' strike is putting pressure on charterers

Galbraith reports that non-Communist steel production in the first half of 1980 is 3 per cent lower last year, at 237.6m tons. This is in marked contrast to 1979 when world steel production rose by 6 per cent and international iron ore shipments

steel industry is still rather patchy. UK production fell 18 per cent in June and U.S. steel production was down by a similar amount during the first half of the year. In the grain trades the out-

look is rather confused. In the tanker markets, rates for the giant vessels have been drifting lower. A ULCC was fixed at Worldscale 24 for a trip

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Our new structure has accomplished two things. It allows us to respond more directly and more selectively to the growing needs of our customers. And it has placed us squarely in position to help our customers solve the financial problems of the future. Starting today,



State Organisation for Oil Pro the spokesman said there was no concrete figure for the total In Peking, Japan's Mitsui value of the agreement, group has signed a five-year Reuter

World Economic Indicators

Japanese to use Chinese

labour for Iraq project

Co. said it has reached agree a Mitsui spokesman said.

TOKYO—Chiyoda Chemical economic and technical co-Engineering and Construction operation agreement with China

UK	060s	july "80 1,606.0 6.6	June '80 1,534.5 6,3	May '80 1,483.8 6.1	july '79 1,278.7 5.3
	%	June '80	May '80	April '80	June '79
us.	800s %	8,006.0 7.7	8,154.0 7.8	7,265.0 7.0	5,774.0 . 5.6.
Germany	000 5 %	781.4 3.4	766.B 3.3	825.4 3.6	763.0 3.3
- Holland	000s %	221.8 5.2 May '80	205.3 4.8 April '80	202.1 4.7 March '80	198.3 4,8 May '79
Japan	000s	1,090 1.9	1,180.0 2,1	1,240.0 2.2	1,110.0 2.0
Belgium	% 900s.	297.7 11.0	300.0 11.1	301.2 11.2	285.4 10.6
	. %	April '80	March '80	Feb. '80	April 7
···France	000s	1,375.9	1,412.0	1,448.9 6.6	1,291.0 5.8

PERSONAL **COMPANY NOTICES**

Ljubuljanska banka \$30,000.000.- FLOATING RATE NOTES DUE 1985

380. The Principal Paying Agen SOCIETE GENERALE ALSACIENNI DE BANQUI

ELMYR de HORY FAKES own a magnificent

RENOIR, VAN GOGH, MONET, TOLOUSE-LAUTREC elector has for sale thase

The coal trades, in particular, have been firmer. Denholm Coates, the London shipbrokers, reports that rates on the Hampton Roads/Japan run are about \$21.50 per ton for August liftings, against a recent low of \$20.25 per ton. Rates of \$22.50 per ton in the

to find vessels.

Galbraith Wrightson, in its weekly bulk carrier report, is optimistic about the outlook for the market over the next month. However, longer term, the position is less clear. Only the coal trades seem destined to remain buoyant.

rose by 84 per cent. The downturn in the world

Westwards out of the Gulf and a smaller VLCC was fixed at Worldscale 27.

Housing Corporation surplus

Scottish fishermen return to work

sumed fishing at midnight on Saturday after a five-day protest stoppage about last week's collapse of fish prices at the leading port of Peterhead.

At a meeting at Aberdeen on Saturday, representatives of the men voted both to end the stoppage, and to take further action in conjunction with English fishermen — who were not involved in last week's actionunless the Government responds satisfactorily to demands for help for the fishing industry.

Scottish and English fishermen have agreed to act jointly through an officially-backed British Fishermen's National Action Committee from August unless the Government satisfactorily August 8.

At Aberdeen 700 fishermen. men from 21 ports, were told that proposals by the Scottish Fishermen's Federation, which had been in the hands of the Government for ton day, called for subsidie, on fire and interest rate; ingether with a national intumum price

Mr. Willie Strachan, skipper of the Aquila Peterhead and chairman of the fishermen's steering committee, described these proposals as "atterin", measures pending a permanent longer lasting solution to the industry's problems.

Mr. Strachan stressed the importance of a united front of pill for 1973. Scottish and English ashermen. but did not specify what action: Seven saving projects are at its Cricklewood and Morden the fishermen would take from saving the company nearly depots in London at a cost of August 9 in the absence of an \$100,000 a year on a total invest-\$288,000. August 9 in the absence of an acceptable Covernment response.

Of the events leading to meeting. Mr. Saturday's meeting. Mr. Strachan said: "Market prices collapsed at Peterhead on Monday. Skippers from boats all along the coast called a meeting and called back from sea boats that had sailed because it was not sensible to sail for these

Scottish fish men's representatives have all agreed that all their boats should be in port and landed by Friday August 8. so that the delegates can meet with the Scottish Fishermen's Pederation on August 9 to consider the Government's response to their demands.

Fishermen s Organisation, whose withdrawal its autonomous minimum price support scheme led to last week's prices collanse and sunsequent stoppage, is to resume cipation of further finance from the Government. But the minimum for small, poor, the words "friends of the earth" uneconomic level to discourage, imply approval by the organilanding of such fish.

Joseph move to transfer Rolls-Royce from NEB

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

GOVERNMENT initiated Parliamentary pro-company's performance. the State-owned aero-engine Frank Department

This means that Sir Keith Joseph, Industry Secretary, will soon assume officially the direct responsibility which he has carried informally for the past

He has laid a Parliamentary Order, in line with the new Industry Act, dealing with the financial aspects of the transfer. This will enable him first to acquire the company from the NEB. and secondly to deal with its financial directiv

The Order will be debated by MPs soon, either in the Commons or in a committee, and this will provide an opportunity for decide whether to take BL out

has questions to be raised about the of the NEB. He has been told

cedures to transfer direct A senior management struc- Leslie's successor, that it is responsibility for Rolls-Royce, ture has been introduced by Sir illogical for the NEB to retain McFadzean, manufacturer, from the National succeeded Lord Keith as chair- likely that a transfer will be Enterprise Board to the Industry man earlier this year. But there announced within a few months company's finances.

The high exchange rate is problems, and Sir Keith is expected to have to authorise frèsh State funds.

row last November which led to the resignation of the companies. NEB chairman and other directors of the board. Lord Keith insisted that the company should be directly controlled by the Government and won the argument during a bitter tussle

by Sir Arthur Knight. Sir A senior management struc- Leslie's successor, that it is the motor company, and it is is still concern about the when detailed arrangements have been finalised

partly responsible for many and BL have been monitored and controlled directly by Sir Keith's department since the row last winter, and Sir Arthur The company is being taken and his fellaw NEB members away from the NEB following have not been involved in any major decisions concerning the

The NEB however does retain formal and legal responsibility till transfers are approved by Parliament. The Order laid recently to facilitate the Rolls-Royce switch transfers a £750m horrowing limit from the NEB to Sir Keith, reducing the with the then NEB chairman, borrowing limit from the NEB Sir Leslie Murphy.

Sir Keith Joseph now has to board's limit from £3bn to

for the first time since 1977. The corporation's annual accounts, due to be published at the end of this month, are In practice, both Rolls-Royce compares with an accumulated deficit of £3.1m in 1978-79 and £7.5m in 1977-78.

March 31, 1980, the corporation is expected to show an operating surplus for the year of £7.4m compared with £3.7m in

In the 12 months ending

BY ANDREW TAYLOR

administers Government grants and loans to the voluntary hous-financial and accounting proceing association movement - dures since it announced a have improved considerably £5.2m operating loss in 1977-78. over the past 18 months taking The corporation was criticised

the corporation into the black for the handling of its financial affairs in a report published by the Committee for Public Accounts in May last year.

Since then, the corporation expected to show an overall has increased monitoring visits surplus of about £250,000. This by its officers to housing associations. Last year around 260 visits were made compared with only 70 in 1977-78. The corporation has made around 500 spot audit visits to larger

housing associations. Problems arose in 1977-78 because of the corporation's failure to balance adequately its long-term and short-term

THE FINANCIAL affairs of the administers finance to about lending. The result was that the has considerably tightened its associations money at a lower rate of interest than it was paying to the National Loan Fund —the ultimate source of finance for the housing association

> It has now been agreed that the Housing Corporation will have access to both short-term and long-term borrowing from the Loan Fund - previously it had been confined to long-term borrowing over 40 years.

The corporation has been considerably successful in persuad- flation. ing housing associations to present their annual accounts within six months of their year end. This is something that associations will have to do once the new Housing Bill

Housing Corporation — which 3,000 UK housing associations, corporation found itself lending cial year loans to housing associations £1.4bn of which more than £1bn was understood to relate to schemes . under developmen Lending to associations during the year amounted to around £480m.

However, the amount of money the corporation will have available to lend housing as ciations in the present financial? year may be as much as a third lower than in 1978-79 after allowing for the effects of in-

Against this, the corporation will, under the Housing Bill. be able to raise extra cash through sales of homes while shared ownership schemes will also help to apread cash aid.

Home crisis predicted by 1985

FINANCIAL TIMES REPORTER

facing "its worst housing crisis failed to produce an estimate of for 20 years," Mr. Jack Straw, the likely level of local auth be made on his policies," Mr. ings per year below widely.

Labour MP for Blackburn, ority housing starts.

Straw said yesterday.

accepted projections of demand. claimed yesterday in a swingeing attack on Government housing policies.

Michael Heseltine, Environ- published, ment Secretary, failed to pub- Mr. Stra lish projections for future housing supply and demand because these would reveal the full impact of Government policies on country's housing needs.

Andrew Taylor writes: Speaking at national conference in Nottingham arranged by Shel- does not want to publish foreter, the organisation for the casts is not because the results homeless. Mr. Straw said it was of his plans are too difficult to the first time since the war that predict, but because they are all

His criticisms come just days

Mr. Straw claimed Mr. housing expenditure are to be Mr. Straw said the Secretary

of State in giving evidence to the committee had faced questions from MPs from his own party about the lack of projec-tions for capital spending on housing and the impact of this on the housing market.

"The reason Mr. Heseltine

Councils confront Heseltine

He said forecasts by the before the findings of a building and civil engineering Commons Select Committee on economic development commiteconomic development committees - "supported by data from Treasury's model of the economy" — suggested public and private sector housing starts would not exceed 200,000 a year between 1980 and 1985.

This compared with projections in the 1977 Government green paper, Housing Policy Review, which estimated that the country's housing stock would need to increase up by to 335,000 dwellings a year perween 1981 and 1988.

Mr. Straw said Government

BY 1985 the country will be an Environment Secretary had too easy to predict and would policies meant a weekly short-facing "its worst housing crisis failed to produce an estimate of form the basis for judgment to fall of "at least 100,000 dwellover the next five years.

The Department of the

Environment said vesterday it was impossible to predict bow much local authorities would spend on providing new housing because of changes in the ystem of funding, which give them more freedom in allocating housing investment budgets among new building refurbishment and providing council mortgages to the private sector.

The Secretary of State had also declined to estimate future capital expenditure on housing to allow himself the greatest flexibility possible in the present

Gillette saves £300,000 y energy conservation

ERGY CONSERVATION at ment of £230.000. At Isleworth.

Mr. Denis Sanan, managing director, writes in the latest pear of "energy management," poblished by the Energy Department that the savings are more there the company's entire fuel

Silierte UK's Reading and Isle an estimated £53,000 a year is day's plants has saved £300,000 being saved since £200,000 was spent replacing oil-fired boilers with dual-fired gas or oil plant. New air valves on the factory's saving £15,000 a year for an investment of £6,000.

Quick savings are also expected by the Express Dairy. which has installed new boilers

Nuclear' complaint by Friends of Earth upheld

THE ADVERTISING Standards issuing an advertisement saying that "nuclear power is a friend

of the earth. The complaint was brought by Friends of the Earth, the environmental pressure group which is strongly opposed to nuclear power. The Friends said the advertisement had been a deliberate attempt to mislead

advertisement Earth whether they had changed period of 1979. their stance on nuclear power.

But the ASA, upholding the Authority has upheld a com-plaint against the South of infer that Friends of the Earth Scotland Electricity Board for approved of the advertisement's

RAF relief increase

THE ROYAL Air Force Benevolent Fund spent £507.147 on relief work during the first oppeared in April, members of quarter of this year, compared the public asked Friends of the with £469,695 in the same

During the first three months The SSEB said in its view of the year, expenditure to be word: "friends of the earth" help present and past members quality haddock under the were simply components of the of the RAF, their widows. scheme will be reduced to an English language and did not families and dependants rose in England from £383,526 to £427,935.

Challenge to Lloyd's by underwriter

By Raymond Hughes. Law Courts Correspondent

THE COURT of Appeal will today be asked by Mr. Christopher Moran, a Lloyd's underwriter and broker, to order Lloyd's not to continue disciplinary proceedings against

Mr. Moran will challenge a High Court judge's refusal last month to grant an injunction against Lloyd's.

The judge said there was an issue to be tried over possible bias against Mr. Moran by a member of a Lloyd's committee investigating complaints against

First stage

the bias issue.

The judge said the respective strengths of Lloyd's and Mr. Moran's cases " militated against the grant of an injunction."

A preliminary investigation

by a Rota Committee is the first stage in Lloyd's disciplinary proceedings, which could lead to expulsion. Mr. Moran says it would be 1981-82. wrong for him to face discip-

linary proceedings on the basis of an unfair preliminary hear-The Court of Appeal will also hear a cross-appeal by Lloyd's against the judge's finding on

BY ROBIN PAULEY

embarrassing meeting today with local authority leaders over growing muddle and confusion in the Government's plans on financing of local government.

Main subjects at this meeting, of the Joint Consultative Council on Local Government Finance, will be civil servants' papers on standard expenditure assessment and the mechanisms of the block grant scheme which will replace the present system of rate support from

Council leaders say these papers, the first official exemplifications of how the system is work, give them an opportunity to say "we told you so" to Treasury and Environment Ministers, particularly Mr. Michael Heseltine, the Environ-

King, Local Government Min-

councils' associations have always insisted that block grants would not work as the Government intended, and that it was using arbitrary methods of assessment based on inaccurate assumptions and poor data which would produce absurd results requiring further arbitrary mechanisms to correct In many ways today's papers

confirm both points. Civil servants have given up trying to produce a scheme easier to

They also concede that block grants cannot be made fully workable in time for 1981-82. It would have to operate very selves into over alleged over- cent on another.

MINISTERS FACE a very ment Secretary, and Mr. Tom much on an ad hoc basis at spending by councils. Mr. King least for the first year.

The Government hopes to

make it more sophisticated by 1982-83 but some senfor officials cils would be penalised this rue the day that detailed work year had again been deferred. on block grants began. Ministers will have to work It looks increasingly likely hard to defend the statistical that it will be impossible to purity of the processes used to penalise anybody for overspend-

different possible schemes one latest comparison of 1980-81 has been chosen at random for exemplification, with no explan- 1978-79 actual expenditure, ation as to why, or whether, it Camden is overspent by only is preferable to the other 36.

on the mess they have got them-

assess spending need. A num- ing this year. The worst ber of abritrary factors have offender on one list, the Landon been chosen to identify, for Borough of Camden, is over-example, assessment of educa spent by 123 per cent. On tion spending need Out of 37 another list, the Government's

budgets with a 2 per cent cut on

said in the Report Stage of the Bill in the Commons that an

announcement on which coun-

this time tall September.

The local authorities may try
Newcastle on Tyne, worst
to embarrass Ministers further provincial overspender, is 50 per cent over on one list but 5.8 per

This announcement appears as a matter of record only



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Floating Rate Notes due June 1987

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Under the United Republic of Tanzame, a perestatel, TANZANIA SARUJI CORPORATION, P.O. Box 4123, Der Es Selsem, has engaged SODEMECA to put up a 15,000 types capacity Sheet Glees Plant near Der Es Selsam. Tanzania, civil works for which will be taken shortly. The approximate value of the work is estimated to be between 10 and 20 million dollars. We are now looking for satisficiate dult work construction contractors who can assisty the following requirements: (1) The Agency should have successfully carried out projetion of similar nature (preferably in Africa).

(2) Adequate proved capability in completing time schedule and specifications. (3) Either the shifty to bring into Tenzants required credit or k facility in the currency of the Agency's own or that acceptable exporting countries, to meet the entire cost of all imports materials, men and equipment required for the construction Tanzants or have import licence for procuring all necessary, important confidences.

The interested confractors who satisfy the above requirements are requested to send references with supporting documents along with working details on financing to the General Manager, TANZANIA. SARIJI CORP., P.O. Box 4123, DAR ES SALAAM, TANZANIA, EAST.

A copy of the same should simultaneously be posted to SODEMECA S.A., QUA: DES VENNES, No. 1, 4020 LIEGE (Belgium). (Telex No. \$1248 duido b).

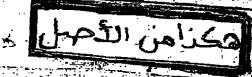
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be constructed on No. 5 Jetty adjacent to the North Mola. It consists of the complete turnkey supply, delivery, erection and commissioning of a 5.5 MW discel generator, operating at a speed not exceeding 600 rev /min. on heavy fuel together with its essociated meditenical and electrical auxiliarids including a weste heat recovery boiler together with the power station building and civil works, electric overhe and station ancillary equipment. The power station building will be designed initially to house three generating sets and the consect will include an option to purchase a second identical generating set. The new power serion is urganity required and quick deliver is

Specification documents may be obtained from Presce Carden & Rider, Paston House, 185/167 Preston Road, Brighton BM1 SAF, the Coo Pascon rouse, 1007-17, reserved of Gibralter for this project, :Appli to Preces, Cardew & Alder should be accompanied by a cheque for £80. The render crossing date will be 17th September, 1980, in Gibrolow, Fixed price contracts are required and tenders should be eccount by \$ 5% bid bond welld for 8 months. The successful to



and lose

BY WILLIAM HALL

DOMTAR, Canada's third biggest paper maker, is pulling out of paper making in the UK and closing its Sunder-land mill with the loss of 400

known locally as the Hendon Paper Works, is the latest easualty in the crisis con-fronting the British paper and board industry. Last week John Dickinson Stationery announced plans to shed 620 lobs; over 3,000 redundancies have been announced in the

industry this year.
The Hendon Paper Works has been making paper for over 100 years. In 1962 Domtar paid £1.3m for the private company to get a foot-hold in the British market before the country joined the

The mill, which produces 29,000 tomes of fine paper a year, has been losing money for some time.

The Canadian parent prediets a cash outflow of £2m this year and £1.8m next year. It blames low orders, increasing energy and material costs, and cheap imports.

Domtar says it tried to sell the mill as a going concern but found no buyers. It has told the trades unions the mill will close by the end of

Domiar is also closing the Sanderland mill's related sales office in London, but will continue to own and operate Howard Smith Merchant Group, based in Hemel Hempstead, Hertfordshire.

The growing number of mill closures and redundancies is causing concern in the paper industry. Bowater, Britain's biggest newsprint producer, has said that unless it gets some assurance of Government assistance for its mill at Ellesmere Port by Thursday, it will probably have to close it, which will mean a loss of 1,500 jobs on

Merseyside.

Last week, the British
Paper and Board Industry Federation and the chief executives of Britain's four biggest paper makers pleaded with Sir Keith Joseph, the Industry Secretary, for temporary import controls and lower energy prices.

Domtar Call for urgent review close mill of capital gains tox of capital gains tax

BY TIM DICKSON

A CALL for an urgent review of the effect of capital gains tax on companies—especially those with subsidiaries—has been made by the London Chamber of Commerce.

The Government should index capital gains tax or alleviate the effects of inflation by some form of "tapering" this year, says the Chamber in a letter to the Chancellor of the Exchequer, Sir Geoffrey

"If the inflation factor cannot be resolved, steps should be taken to revise the way in which capital gains can affect corporate structures.

unjust that given an increase in inflation since 1965 of more than 400 per cent, a company selling an asset at no profit in real terms, has to pay a tax charge on the proceeds.

Dismissing the Inland Revenue's argument that companies rarely pay capital gains tax because of roll-over relief for trading assets the Chamber says this is in no way a justification for failure to put the tax on a defensible basis.

The disposal of major assets such as factories is dictated by commercial and financial needs. The timing of reinvestment is a particular hazard for smaller companies and with the accumulation of rolled-over

The Chamber says it is wholly gains, the problem is becoming more acute.

The Chamber says that rollover relief is not available in cases where a group finds it necessary by selling shares to dispose of a business run by a separate subsidiary company.
"If capital gains tax is payable there is then a danger of cascading tax because of the group's structure. In a situa-tion where the tax is falling on

real profits this is intolerable." The Chamber says the fairest thing would be for companies to pay no gains tax at all. But it would be a move in the right direction if gains tax was allowed to rank fully as advance corporation tax to frank dividend payments.

'Drugs bill still could be cut'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

PEIARMACISTS say the national drugs bill could be cut by at least £80m a year if they were allowed to substitute cheaper medicines for the almost identical brands prescribed by

doctors. The Pharmaceutical Services Negotiating Committee has called on the Government to give retail chemists greater discretion when dispensing prescription medicines. The demand is part of a package of proposals aimed at giving pharmacists a more active role in health care. Mr. Alan Smith, the com-

mittee's chief executive, said at the weekend that there were often "two, three or four medicines available, all having the same chemical nature and the same effect — but at vastly different costs to the National

Health Service." Retail chemists should be allowed to dispense the cheaper drugs unless a doctor had specified on a prescription that no alternative should be given. Mr. Smith said most hospital pharmacists had the right to prescribe cheaper alternatives and they had saved the health

Cost would not be the only Medical Association said. criterion. Chemists would only substitute one make of drug for another if their professional judgment convinced them that quality.

drugs bill was about £800m, and it is expected to be £1bn this year.

But the Association of the British Pharmaceutical Industry said at the weekend that it estimated only £25m a year would be saved

The Pharmaceutical Services Negotiating Committee's package of recommendations, which has gone to Dr. Gerard Vaughan, Health Minister, calls for: Chemists to make home visits -particularly to the elderly and

dosage and storage of medichemists to monitor patients' blood pressure; -• retail pharmacists to test for

disabled who need advice on the

Last year the health service • chemists to keep patients' records. The committee says this could stop patients taking two different sets of drugs which might have a harmful effect when taken together; • chemists to be able to repeat prescriptions without neces-sarily having to refer back to the doctor. The committee says 27 per cent of repeat prescrip-

> doctors' receptionists with the GP merely signing them; THE DRUGS companies association has turned down an invitation to take part in a BBC radio programme due to be broadcast tomorrow. It objects to the title Prescription for Bankruptcy and says the producers appear to have made up their minds on the issue.

tions are currently written by

GPs' wives' pay setback

BY ROBIN PAULEY

might soon extend the system of payments to doctors' wives for their help in running practices has faded, the British An amendment to the Helath

Services Bill, which reaches report stage in the House of Lords today, proposes an extension of the payments scheme but leaves everything to the problem should be dealt with."

HOPES THAT the Government Health Secretary's discretion. It has been tabled by Baroness Young with the support of

Baroness Masham, Dr. John Ball, chairman of **BMA** General Medical Services Committee, said last night: The amendment contains no date for implementation and gives wide discretion to the Government about how this

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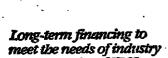
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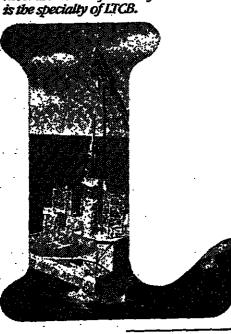
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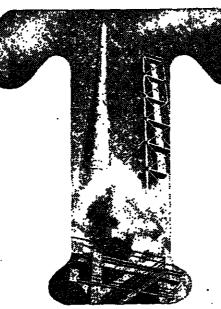


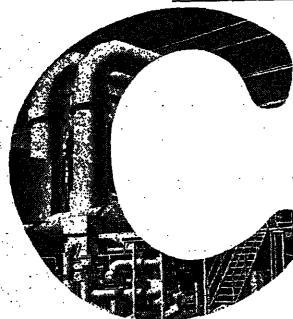
For the facts, contact Fred McClenaghan, Corby Industrial Development Centre, Douglas House, Queens Square, Corby Northants Tel. Corby 6257 Likelex 341544.



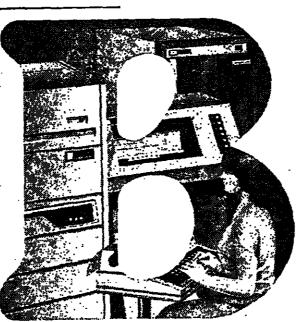


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David Churchill reports on the revolution in supermarket checkout systems

Tesco joins the great laser race

THE TESCO stores group has the product, including size and confirmed that it will start its weight for example.

The ANA has some 10bn tronic checkout technology electronic checkout system in October, several months later facturers, so there is no danger than was originally intended.

Tesco had planned to be one of the first of the big super-market chains to introduce an laser-scanning operational system in its stores. But Key bars of varying thickness, which Markets, J. Sainsbury, and International Stores already have trial schemes in operation, while Asda is believed to be starting its trials within the next few

Tesco says it has decided to postpone its trials until the autumn because it hopes that by then more products will have the unique bar-code printed on them by manufac-turers, and that it will thus avoid the expense of itself labelling goods with the special codes.

Mr. Donald Harris, a Tesco director and chairman of the Article Number Association (ANA), said he expects some 70 per cent of supermarkets sales by volume to have bar codes printed on them by the manufacturer by early next year.
Under the new laser-scanning

system, each grocery or nonfood product sold in a modern will have a unique 13-digit number allocated by the association. Each number will identify the manuThere remains little doubt -this would mean an extra
facturer and full details about among most of the large super£22.5m profit.

numbers available for UK manuof a shortage of numbers in the forseeable future. The 13-digit number alloca-

ted to a product is translated into a series of short lines or are then printed on the products by manufacturers as part of the normal packaging. The cashier passes each item

over a lower-power laser scanner built into the checkout: this reads the bar-code and transmits the information to an in-store computer linking all the checkouts.

The store's current price for the item is then fed back to the checkout by the computer, and is shown, together with a description of the item, on a cash register. At the same time, the information is listed automatically on the till receipt, agement to potential shortages, which prints both the name of Although no accurate finanthe item and the price.

should be both faster and more tional systems.

market chains that the intro-duction of laser-scanning elec-tronic chackent tacked to the description of Grocery Distribution tronic checkout technology represents the biggest chal- cumstances since the McKinsey lenge facing the grocery industry in the 1980s

y in the 1980s. ness to retailers of such Many in the trade believe that point of sale systems, and must the impact of the new technology will be as significant as the introduction of self-service McKinsey. supermarkets in the 1950s and

But it is not entirely because of the desire for smaller checkout queues that the supermarket chains are willing to invest over £10,000 per checkout in the laser-scanning systems. The supermarkets are also looking for substantial financial savings over and above the cost of the new technology.

Laser-scanning means that goods can be closely monitored from the store's back door right through to the checkout. The visual display panel next to the computer can keep a continuous and accurate check on stock levels, and alert the store man-

cial quantification of the costs Because this process takes saved has been made in the UK, only a fraction of a second, and a survey in the U.S. by the Mcbecause the cashier does not Kinsey company suggested key in prices manually, the total savings, after allowing for whole checkout operation costs, of about 1.5 per cent of total turnover. For a company accurate than under conven- the size of Tesco-which had annual sales last year of £1.50n

Congress to step up battle

BY PAULINE CLARK, LABOUR STAFF

ment economic and employment leading print unions. policies - and in particular trade union legislation - will come under furious attack at the TUC Congress to be held in Brighton in September.

But the preliminary agenda of this year's congress suggests commitment to a continuing argument rather than to a major campaign of industrial confrontation aimed at forcing a showdown with the Government.

Opposition to the Employment Bill is, however, strengthened by two calls for industrial action if necessary in a campaign to defeat its provisions from the

THE WHOLE range of Govern- and NATSOPA, one of the people to carry the burden of its economic policies." While the NUM calls for outright " complete and

rejection of the Bill with a TUC leaders' campaign of nonco-operation including industrial action if necessary, NATSOPA demands a vigorous public campaign including support for "against this piece of action The union will also lead a call vicious anti-trade union and

anti-democratic legislation." The 2m strong Transport and General Workers Union leads the debate on unemployment with a condemnation of the " deliberate Government's strategy to take the number of unemployed to 2m and beyond ing the need for incomes policy National Union of Mineworkers in an attempt to force working in a planned economy.

plan to save Doxford

The 1.2m-strong Amalgamated Union of Engineering Workers UNION REPRESENTATIVES urges a campaignu to force the Government to change its ef shipbuilding managers yes terday accused British Ship economic policies, including pressure for selective import builders and the major indus-trial unions in the industry of controls, more regionals aid and an end to public spending cuts. reaching a "premature" agreement on cessing engine work

for a continuing TUC commitment to free collective bargaining although the division of opinion among trade unions on the issue is underlined by a motion from the Iron and Steel Trades Confederation "recognis

building arm of the Engineers and Managers' Association (EMA), which last month withdrew its request to join the

at Doxford Engines, the North-

East marine diesel engine

The attack on management

and on the Confederation of

Unions (CSEU) is contained in

a special study of alternative

ways of saving the company, published by the Shipbuilding

and Allied Industries Manage-

The association forms the ship-

Musicians protest

ment Association.

MUSICIANS in Belfast said they would continue picketing their local BBC headquarters in spite of the Musicians' Union's agreement to ballor its 350 members on BBC management's new proposals for amalgamat-ing the BBC Northern Ireland Orchestra and the Ulster Orchestra and saying the Scottish Symphony Orchestra and the London Studio Players. Scottish musicians sald they would arge rejection of.

Printers reject Observer offer BY PAULINE CLARK, LABOUR STAFF

THE FUTURE of the Observer of Journalists Atlantic Rich- hour off the 15-hour production remained in the balance vesterday after the newspaper's 25 machine managers rejected a new pay deal against the advice of their union leaders.

Leaders of the National Graphical Association are expected this week to seek urgent intervention by Mr. Len Murray, general secretary of the TUC. in the face of closure threats by management."

Journalists entered the dispute yesterday with a warning that any management decision to issue individual notices to staff could precipitate action by members of the National Union field, the paper's American owners, earlier this month issued formal 90 days' notices of closure.

The management peace formula aimed at securing cooperation for production of a bigger paper was unanimously rejected by the NGA chapel at a special meeting before the start of the Saturday-night production shift.

The formula worked out between NGA national leaders and management at a meeting last week under the umbrella of the Advisory Conciliation and New York operation, where a would are Arbitration Service took one strike over pay has been called. proposals.

shift, but made no improvement on a £100.13 offer to produce a 64-page paper.

The dispute over blacked copy at Reuters, the international news agency, worsened at the weekend when 150

journalists went on official strike, leaving executives to maintain the service's news output.

National officers of the NUJ intervened on Saturday when management sent home 13 journalists for refusing to handle copy from the agency's

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> **ISSUE** July 25, 1980

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July grocery prices marginally higher

BY OUR CONSUMER AFFAIRS CORRESPONDENT

GROCERY PRICES in shops months of the year. were marginally higher in July than last month, according to the latest Financial Times grocery prices index today.

pointed out that changed cir-

study "enhanced the attractive-

reduce the payback period from

the five years estimated by

But the key to the successful

introduction of the new check-

out systems lies in the speed

with which manufacturers are

prepared to print bar-codes on

their products. The ANA has

almost 600 companies in mem

bership, two-thirds of whom are

manufacturers who produce the

bulk of food products sold in

The incentive for manufac-

turers to print bar-codes on

their products is that after the

systems become fully opera-

tional they will have access to

sophisticated sales data about

Other electronic checkout

character recognition system

currently being developed in

Germany, are unlikely to be in

the UK market since they will be several years behind the

laser-scanning system.

But even if the current extensive trials of the laser-scanning

systems go as planned-and

early results suggest that they

will—it is likely to be at least

another two to three years

before laser-scanning in the

supermarket becomes an accepted feature of High Street shopping.

position to gain a foothold in

their product's performance.

the UK

The July index rose to 129.04 compared with 128.53 in June. The slight increase was mainly due to small price rises in all sections of the shopping basket covered, rather than to any major increase in a particular

sharp increases in the first few Financial Times.

The FT grocery prices index shows the trend in food prices, rather than acting as an absolute indicator of price levels. It is based on data collected each month by 25 shoppers who monitor the same lists of 100 items in the same shops.

The shops chosen range from superstores to small village grocers throughout the country. The index is copyright and The index shows that food may not be reproduced in any prices have maintained relative way without permission. All stability in the past three inquiries should be made to months compared with the Lucinda Wetherall at the

FINANCIAL TIMES JULY	SHOPPING BASKI	ET.
-	July	june
	£	<u>.</u>
Dairy produce	626.71	623.65
Sugar, tea, coffee, soft drinks	198.73	195.32
Bread, flour and cereals	293.43	295,84
Preserves and dry groceries	105.46	104.12
Sauces and pickles	49.39	49.13
Canned goods	79C.67	129,44
Frozen foods	229.24	227.80
Meat, bacon, etc. (fresh)	535.61	537.93
Fruit and vegetables	275.97	276.33
Non-foods	233.40	232.26
T-4-1	2 742 47	2 772 60
Total	2,743.67	2,732.80
1 4 b-b- 126.24		

Index for July: 129.04 1979: January 108.54; February 108.65; March 109.12; April 110.88; May 113.59; June 116.02; July 114.79; August 114.16; September 114.17; October 114.95; November 116.36; December 118.74. 1980: January 120.47; February 122.32; March 124.18; April 125.94; May 128.79; June 128.53; July 129.04.

Domestic appliances face gloomy outlook

appliance industry as declining consumer spending and low-cost European imports continue to hit manufacturers' sales. May figures from the Asso-ciation of Manufacturers of

GLOOMY PICTURE has Domestic Electrical Appliances emerged for the domestic show a continuing decline in

trade deliveries.

Compared with the same period last year deliveries of freezers has fallen by 37 per cent; cookers 30: small appliances 47: and automatic washing machines 37 per cent. Deliveries of vacuum cleaners

fell by 22 per cent in May against 1979. The association is seeking an EEC inquiry into alleged dumping by East Eurothis year imports have leapt from 22 to 30 per cent.

Mr. J. P. Collis, director of the association, said: "We remain deeply worried by the erosion of certain markets by

early indications of June and July deliveries also show the downturn in consumer buying." Many domestic appliance manufacturers have imposed short time working.

Burco-Dean has 300 of its workers on short time. Hotpoint, a subsidiary of the General Electric Company, has made 620 workers at two domestic appliance factories redundant.

About 2,000 workers at Tube Investments' domestic appliance division, which produces Creda cookers and Ascot water heaters, are on short time because of a slump in orders. Criticism of British Gas Corporation's virtual monopoly in sale of domestic gas appliances in a report by the Monopolies and Mergers Commission due for publication this week could lead to the Government's deciding to hive off over 900 showrooms operaed by British Gas in an attempt to improve price competition for gascookers and water- and space

British Gas accounts for at least 95 per cent of all gas-cookers sold in the UK, 84 per cent of space-heaters such as gas fires, and 78 per cent of all water-heaters. It has just under a third of the market for gas central-heating systems.

BUSINESSMAN'S DIARY

THE TRADE FAIRS AND EXHIBITIONS

	UK	IRADE FAIRS AND EA
	Date	Title
	Aug. 14	Scottish Furniture Trades Exhibition (041 649 1954)
	Aug. 3-7	International Gifts Fair (01-855 9201)
	Aug. 13-15	Computer Graphics Exhibition (09274 28211)
	Aug. 14-25	Ideal Home and Leisure Exhibition (0202 20327)
	Aug. 17-23	
2	Aug. 17-20	(01-428 1590).
٠,	Aug. 20-23	Ideal Home and Trade Exhibition (06333 64538)
۰	Aug. 20-25	Modern Homes Exhibition (0253 54676)
Ł	Aug. 23-25	Trade and Entertainments Exhibition (0689 36431)
1	Aug. 23-30	International Motor Cycle Exhibition (0203 27427)
3	Aug. 31-Sept. 4	Giftware and Fashion Accessories Trade Fair (08833 4371)
	Aug. 31-Sept. 4	International Watch, Jewellery and Silver Trades Fair (01-837 3636)
•	Sept. 1-4	International Environment and Safety Exhibition and Conference (0727 55574)
i	Sept. 1-5	London Nursing Exhibition and Conference (01-643 8040)
:	Sept. 2-5	International Carpet Fair (021-705 6707)
ŀ	Sept. 7-12	International Hardware Trades Fair (0727 63213)
וי	Sept. 9-20	Chelsea Antiques Fair (0727 56069)
1	Sept. 11-19	International Printing Machinery and Altied Trades Exhibition—IPEX (021-705 6707)
۱		

Olympia Metropole Hotel, Brighton Newcastle University London WC2 Leisure Centre, Pontypool

Kelvin Hall, Glasgow

Moat Park, Maidstone

Bristol Exhibition Centre Earls Court Wembley Conference Centre

Royal Festival Hall

Harrogate Olympia Chelses Town Hall National Exhibition Birmingham

OVERSE	AS TRADE FAIRS AND	EXHIBITIO
Current		Dornbirn Hamburg Chicago Oslo Budanest
Aug. 20-Sept. 20., Aug. 22-24	Industry—OMEC International Fair Wellington Home Show	Izmir Wellington, New Zealar Atlanta
Aug. 28-29	Offshore North Sea Technological Conference and Exhibition International Bridge and Structural Engineering	Stavanger
Aug. 30-Sept. 3 Sept. 4-9	Exhibition Jewellery, Gold, Silver, Clocks and Gifts Exhibition —BIJORHCA	·
Sept. 6-9	International Leather Week (01-439 3964) International Engineering Fair (01-278 0281) International Autumn Fair (01-486 1951) International Tunnelling Industries Exhibition and	Paris Brno Zagreb Basie
Sept. 16-20 Sept. 17-26	Conference—EUROTUNNEL (0727 63213) International Office Equipment Exhibition—SICOB (01439 3964)	Paris
Sept. 19-24	International Exhibition for Automobile, Motor Car Workshop, Service Station and Garage Equipment—AUTOMECHANIKA (01-734 0543) International Food Industry and Non-Food Products	
Bept 18-21	Exhibition—IKOFA (01-486 1951)	

BUSINESS AND MANAGEMENT CONFERENCES

TOODILLIE		
July 28-Aug. 15	Compower Training School: Basic COBOL (Cannock 2511)	and the second of the second of the
Aug. 3-Oct. 24	Bacle: Overseas Training Officers Programme (01-636 5351)	
Aug. 4-6	MSS: Inventory Management and Control (Worthing 34755)	
Aug. 6	LCCI: Middle East and North Africa Section * At Home" (01-248 4444)	Cannon St., EC4
Aug. 7-8	British Institute of Management: Effective Speaking—Practice and Coaching using Closed Circuit TV (01-405 3456)	Parker Street, WC2
Aug. 10-24	University of Western Ontario: The 1980 Inter- national Symposium on Solar Energy Utilization	Ontario, Canada
Aug. 11-15	CCC: Practical Introduction to UK Business Law (01-222 6362)	Trinity Hall, Cambridge
Aug. 11-12	MSS: Principles of Work Study and Incentive Schemes (0903 34755)	Worthing
Aug. 11-22 Aug. 18-19	CEI: International Financial Management Seminar The British Institute of International and Compara- tive Law: Multinational Corporations and the	Geneva
Aug. 26-28	International Law Standard (01-636 5802) FT Conference: Aerospace into the Eighties and	Royal Garden Hotel, W8
Aug. 28-29	Beyond (01-621 1355) BIM: Rapid and Efficient Reading (01-405 3456)	Royal Lancaster Hotel, W2 Parker Street, WC2
Sept. 1-3	Brunel Institute of Organisation and Social Studies: Understanding Production for non-production managers (0895 56461)	
Sept. 3	Cyril Aydon Associates: Current Cost Accounting— the New Standard (seminar for financial specialists only—Raphyre 720194)	Strationd-on-Avon

Financial Times Conferences

AUSTRALIA — THE ATTRACTIONS FOR FUTURE INVESTMENT Melbourne — October 30 and 31, 1980

The Prime Minister, the Rt. Hon. J. Malcolm Fraser, has agreed to give the keynote address at this conference which will highlight the potential and the favourable environment for international investment in Australia, and the opportunities for business co-operations with the Australians. INVESTMENT IN MALAYSIA

Kuala Lumpur — November 3 and 4, 1980

The Deputy Prime Minister, Y. A. B. Dato Seri Dr. Mahathir bin Mohamad, will give the opening address at this conference and other leading ministers will give presentations. Presentations are also to be given by representatives of international companies currently involved in business in Malaysia. These will examine both the economic future and the potential opportunities for investment within the country.

All enquiries should be addressed to: Financial Times Limited Conference Organisation Minster House, Arthur Street London EC4R 9AX

Tel: 01-621 1355 Telex: 27347 FTCONFG... Cables: FINCONF LONDON **MANAGEMENT**

John Lloyd examines a French report on the implications of computerisation

Why dirigsme still rules in France's micro revolution

information; their development spheres.

An expanding branch history, in particular that which has been touched with the disenergy and information tech- great nologies on human societies. and transmission, the internal combustion and jet engines; on the information side, printing, the telegraph, the telephone, radio and television broadcasting and the computer.

We are now living through early manifestation of another key shift, one probably in the beginning will also in-greater than any of those noted crease unemployment, parabove. For the first time, we ticularly in the public services are fully aware of its occurring, sector."
and are thus less likely to • Would "become as indispensbecome its victims, or be mere able to society as electricity." unthinking actors in its

The French have coined a units.' (telematics). Telematics is the increasing interconnection be- movement it generates in infortwen the computer and telecommunications: the creation, across balance between rival markets the developed world and into and among municipalities. It the developing one, of a net-influences certain professions work of communication, logic and memory which can trans- It increases contact between mit messages instantly, perform social groups and the vulnercalculations in milli seconds and ability of large ones." store volumes on slivers of sili-

duced a report on it, which is barriers in work organisation now, two years after a success- and social customs, throwing up ful launch in its country of new relationships between indiorigin, available in translation viduals and groups, between

Report. Simon Nors, a senior power, wider than those of servant,

upon technologies which pro- of the computer have developed duce and transmit energy and to such an extent that the economy and social organisation depended, and depends of our society may well be transstill, upon continuing break- formed as a result": and was throughs in each of these commissioned to "stimulate thinking on how the computerisation of society should be carried out."

The rubric under which he cipline of sociology, now con-cerns itself with the effects of accepted by Government that transformations economic and social life would Among the key innovations are, occur; and it was implicitly on the energy side, steam accepted, too, that Government power, electricity generation had the major role to play in

guiding these changes. Mr. Nora reported to his president in January 1978 that tele-matics would:

"Alter the entire nervous system of social organisation." • "Bring with it a substantial increase in productivity, which

· Allow "the decentralisation or even the autonomy of basic

word for this shift: télématique 9 Find itself "at the heart of the power game through the mation networks. It shifts the by modifying their social status.

Telematics, in Nora's view, is the steam power of the late The French havea lso pro- 20th century, tearing down old

"The Computerisation of groups and authority.
ety."

He says its consequences will It is better known as the Nora be wider than those of steam was electricity. "Unlike electricity, informed, in 1976, by President telematics will not transmit an

information, i.e. power . . additional network but a dif- tion methods, must be picture, sounds and memories of our culture."

President Giscard's commission to Nora contained the admonition that France "should be in a position both to foster this development (telematics) and to control it." In short, a plan was called for. Nora was enjoined to plan both for the economy and for the culture. Apparently undaunted. started with the economy.

His main concern here is the promotion of greater productivity in both the manufacturing

We are now living through the manifestation of another key shift ...

and the service sectors, even though such increases would cause unemployment to grow in the short term (Nora is certain of this) and would carry no guarantee of increased, or even maintained, employment levels in the long run. The effects depend upon "a balancing act, the outcome of a race between the reduction in manpower linked to increased productivity, and the increase in markets resulting from a higher

degree of competitiveness." Influencing this "balancing act," for France as for the other industrialised countries, are the familiar pressures of low-cost labour competition, high tech-nology competition and government-subsidised competition. These force the older industries (steel, engineering) back on to the defensive, and to re-equip.

INDUSTRIAL societies stand Giscard that "the applications inert current but will convey But this re-equipment, which Manifesto. was over capitalism: is in many cases a process of telematics will not only be an shifting to computerised produc- multinational "all or ferent one as well, blending nothing": a half-hearted attempt it decentralises its industrial is worse than useless. "If a and commercial activity but

ceeding in reducing costs to the ment and marketing. . level of its rivals, it multiplies the constraints (massive efforts of its outlets . . . great discernment is therefore required in

It should be parenthetically noted that, under the French Government's seventh plan, the "loopholes to be exploited" have heavily supported its telecommunications and electronic industries, especially the former, and has seen large orders won abroad, together with a dramatic improvement of the telephone network at home.

The state is supporting not one, but three microelectronic ventures; it recently blocked a move by UK Thorn/EMI to buy the largest French TV rental chain because it fitted in with the telematique strategy; and it puts more money into the principal computer company. Cii Honeywell-Bull in a year than note because it illustrates a ICL, the UK equivalent, has

had in a decade. Naturally, these interventions are made with the more-or-less precise intention of raising productivity and improving trade balance. Yet here (to return to theory), as Nora sees it, cultural and economic concerns merge - particularly round the massive questions posed to the French (or any telematics strategy by

as Marx, in the Communist EEC.

"The company has played the intelligently than any other . . . and transforming the pattern branch of Prepch industry . . . retains control over its essential of our culture."

> The major shift in IBM's position, Nora remarks, is from at investment, reduction of being a manufacturer of data employment), without bringing processing equipment to being about a corresponding expansion a supplier of complete information networks. By doing so, it has ceased simply choosing loopholes to be dominate the computer industry exploited . . . " picking winners, in other words. do not be dominated the computer industry and is now poised to invade the sphere of Government.

> "As a manufacturer seller of machines, IBM had customers and a few rivals. As a controller of networks, the been chosen with apparent dis-cernment, and backed to the sion extending beyond the bilt. The Government has strictly industrial sphere; it would participate, whether it wanted to or not, in the government of the planet. In effect, it has everything it needs to become one of the world's great regulatory systems . . . States were formed to establish within regulatory systems their boundaries an acceptable economic and social rivalries. But the internationalisation of the stakes means that today no Gallicanism economic Gallicanism is sufficient to keep Rome out of

Armonk (IBM's headquarters). The passage is worth careful central point: telematics, of all the technologies which have had a dynamic effect on the cultures they "invaded," posssibly the most dynamic because it encodes, transmits and makes available the most obvious product of culture human knowledge. Thus how knowledge is encoded, to and from whom it is transmitted and how widely it is made available must be a matter of consuming interest to states, or to

hought in" like other technologies—as the steam engines of Victorian Britain werebought in by the rest of the world, or as the obscure Japanese company of Nissan bought in production engineering equipment from the famous Austin company to make the equally obscure Datsuns in the

1950s. But there the parallel ends. For buying in to telematics actually means hooking in to a system—a world regulatory system, as Nora would say-and thus the opportunity for turning the tables on the original supplier of the machinery is limited, if not made wholly impossible.

the need, amply Hence stressed by Nora, to create counter-systems in order to bargain from a position of some strength; to create forums to determine, as he puts it, "the mode, the rate and the attributes of computerisation"; to use software standardisation as a means of combating IBM's (and other computer manufacturers') strategy of locking its clients in to its own, unique system; and to launch satellites

Telematics . . . is the steam power of the late 20th century

in order to ensure continuing of communications control traffic. All of this is better done -

or indeed, only done - with co-operation. transnational Nora notes, but does not expand

on, this aspect. In a final section, Nora makes his largest claim: that the "information society" will replace the two major ideologies

of our epoch - the Liberal and

the Marxist.

the first gives a vision of the industrial society . . . (assuming) that affluence and the tion. growing equalisation of stan-

plistic, all-encompassing and ships...the goal of history, the classless society, is reached quite simply by the collective production."

The "information society," contrast, will have tensions, but not the consuming, bipolar one assumed by Marxism. "It is the locus of an infinite number of decentralised, unexpressed conflicts that do not respond to unifying analysis . . . the longer history continues, the more people make it, the less they know what history they are

A report written in Britain, whether by a liberal, a Marxist or even a telematician like Nora, might not have been so confident of the anachronism of the struggle between capital and labour.

Nora was evidently impressed by the student revolts of 1968, characterising them as " the first sign of this transformation . . . demonstrating tensions foreign to the world of production." It is not surprising that a senior French intellectual should have been moved by the rebellion of his junior replacements; Britain showed only an echo of that revolt, and the new leftism it popularised never replaced the

the British left. Indeed, the largest silence, to British ears, is the voice of The Computerisation of Society; official report would be pitched £7.75.

trade unions and labourism as

the dominant characteristics of

He dismisses both of these— at a lower philosophical level: but it would give trade unions future ending with "a post- a mention, even if only as a ritual, bureaucratic genufiec-

What value, finally, does such dards of living will make it a curious amalgam of reflec-possible to build the nation tions, connections and prescripround an immense, culturally tions masquerading as a report homogeneous, middle class and to the President have for other to overcome tensions"; while countries? Possibly a two-fold the second rests upon "a sim-one: first, it most certainly fulone: first, it most certainly fulfils that part of its brief which rigid view of power relation calls for the stimulation of thought, and if not all of the stimulated thoughts focussed on telematics, this is appropriation of the means of becaue telematics is pervasive

in its effects. Second, Nora is a plan, or rather part of the seventh plan 1976) which (peenn in. emphasised so heavily the development of new technolo-gies; as well as its dramatic alarms and excursions, it has passages of detailed argument for particular policies, and in the end makes a good care for a ministry of information technologies. It is thus unself-consciously and unequivocably dirigiste, accepting completely the state's major place in regulating and developing the developments which telematics

The distinction between this approach and that adopted by the present UK Government puterisation of British society proceeds not so much in an unplanned way, as in a way covered by various, often competing, long and short range strategies, public and private, some of them remnants of the previous Government's attempts do a Nora."

In this sense, it approxi-mates to Nora's description of the Liberal approach system of regulation (by the market) without a plan."

labour in this report. A British by Simon Nora: MIT Press,

THE considerable growth of foreign investment in the United States in recent years has created a whole panoply of 2vital considerations for foreign top management. Yet if corporate concern is limited to market penetration, plant location, distribution facilities and the like, burden on foreign management it can result in costly oversights involving the significant area of employee benefit pro-

While Americans are particularly reliant on the private enterprise system to meet needs related to illness, disability, death and retirement, employers have been increasing gramme. their dollar outlay on benefits at a much faster pace than wages in recent years.

board of directors of a British bank, a German chemical firm, and a Japanese electronics company, all with substantial U.S. agreement was signed decided to operations? They are all competing for skilled personnel in the U.S. labour market. But they may gravitate towards American companies for two

1-There is, generally, a feeling of permanence about the American company since it

will not suddenly transfer a major operation to another

The potential for personal

to adopt very competitive cash compensation and benefit programmes. The key questions, therefore are how far should a company go and what are the industry standards against which some measure can be taken for study and adoption of a total compensation pro-

clude a European

It was lucky. Past service liability for existing employees was minimal, but it could have been on the hook for several million dollars.

advancement is felt to be greater since top management is American. These factors put a special

These and other important cases in point inсошрапу which acquired an American firm but only after the purchase engage American actuaries to find out what liabilities existed under the seller's pension plan.

In another case, a Far East

Louis Kleber offers advice to would-be employers

When in the U.S.

tal plan for its American employees, but failed to make any provision for death benefits: a much more important area.

dian benefits programme to its American employees found that questions have sometimes been work out. For example, medical ing by sex or in favour of the overlooked by large foreign claims had to be submitted to highly paid.

fully designing an employee benefits programme around the local environment. The London office has given its U.S.-based management broad authority to make many decisions. At the same time, London is kept fully informed about substantive matters and approval for them

Richard Carden, chief execuin North America, says: us effectively to establish and maintain our outstanding benefits programme within a viable cost framework if we did not recognise and understand the special considerations of the American scene."

De

Nationale

The Hagne, The Netherlands

Investeringsbank

seek formal, written approval the cost of funding the system from the internal Revenue which provides retirement in-Service that the plan is "taxqualified" for deduction of con- as survivor income and dis-tributions by the employer and ability payments). Social other tax advantages. To do so, it must fulfil a host of IRS and Department of Labour requirefor a host of reasons it did not ments such as not discriminat-

On the other hand, there is the U.S. as opposed to many

to review the adequacy of pension payments to retirees at least once every three years. Benefits had to be increased unless the employer could prove financial hardship; not an easy task. Also, German companies tive vice-president of Barclays commonly use book reserves. which are tax deductible, in would be quite impossible for recognising pension cost. This cannot be done in the U.S. where minimum funding standards are required under Federal law for pension plans with defined benefits. It is imperative that the design of a pension plan

come (and other benefits such

adjusted increases to retirees. If the design of the private pension plan does not recognise

total retirement income package, the retiree could net significantly more than his final period of pay. This would not conform to sound pension planning and would result in unnecessary employer expense.

There are numerous and highly relevant considerations in U.S. benefit planning which foreign management should take into account. Here are some guidelines which can give directors the basis for a sound approach.

Do not be guided by home ability payments). Social Security payments are not taxed, country employee benefit sys-tems; whether state or private. and provide for inflation tions and local nationals will not identify with them.

Employee benefits in the U.S.

the private sector, but statutory federal and state benefits should be carefully examined to be certain the private programme is well balanced without duplication of benefits.

merger until an independent possible. He can then provide review of the seller's pension plan and funding status has leagues. been made. It could have very substantial unfunded accrued liabilities for past service which could become a liability for the buyer. At the least, the buyer related laws, regulations, trends should be aware of such liabilities and consider them in the been recognised in the design They do not reflect local condi- purchase price. They will often run into many millions more package.

dollars.

patriates. How should the home country and U.S. benefits packages be applied to them? Get first-hand knowledge. A

senior executive, based in the home country, should talk to Do not finalise the purchase someone knowledgeable about agreement of any acquisition or the local environment whenever valuable input for his col-

Seek local, profession consulting and actuarial assistance. This goes a long way in assuring management that benefitsand industry standards have of the employee benefits

Louis Kleber is a manager Consider the special situation with Peat, Marwick, Mitchell this source of income within the are generally the province of for executive and other ex- and Company in New York.

FACILITIES

IN A COUNTRY ROUSE HOTEL SET IN BEAUTIFUL SUSSEX COUNTRYSIDE

8 miles north of Eastbourne off the A22
Hold your sales seminar/conference here and unjoy the benefits of
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and exceptent service. Five bers. Three conference rooms to choose

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Employers who establish pen- recognises that of U.S. Social installed an unduly generous (and expensive) den sion, profit-sharing and thrift Security under which the tal plan for its American em savings plans almost always employer and employees share

A Canadian firm which opened an operation in the U.S. and simply extended the Cana-

Canada with attendant adminis trative, exchange rate and other no legal requirement to provide problems. It would, of course, be equally fatuous for a U.S. parent to transfer American plan provisions to Canada. Barclays Bank International other countries where adjust-provides an excellent example ments to recognise inflation are of an informed employer care-

pension cost-of-living increases to retirees. This factor alone may result in relatively lower private pension plan costs in obligatory. Germany's 1974 pension law, for example, required employers

Norman Martin are a successful ament manufäcturer operating at: the quality and of the market With a number of factories scattered around London, Norman Martin were not able to rationalise production to the full. Their success

meant expansion but moving put a strain on their investment programme. Not an unusual story but at a time : when only blue chips investment for the larger companies is welcome. where do the thousands of smaller The answer Southwark in the heart

of Londons For Norman Martin, Southwark offered a new factory skilled labour and an employment grant, Norman Martin were able to carry out their expansion programme without strain Within a year, they had doubted

Southwark has a £3 million industrial fund which can give grants and loans. Also, a specialist unit which advises on finance, property, « manpower legal and planning problems, it acts confidentially, swift and with a minimum of red tape.

These services are linked to a ... unique panel, including Britain's largest commercial bank, for additional business advice and funding. So how successful is Southwark?
Well within two years of operation

nearly 2,000 jobs have been successfully created and 150 firms

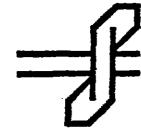




helped to grow and expand in Southwark.

If you think your business could get some zip from the Southwark formula, ring Eric Eeles, Industriat Developments Officer, 01-703 6311. 30-32, Peckham Road, London, SE5. He'll arrange for a consultancy visit plus a showing of the "Southwark Link" a film which tells its own story of business success by businessmen in

These securities having been placed privately, this announcement appears as a matter of record only.



Dfls. 75,000,000 10 per cent. Bearer Notes 1980 due 1987

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Bank Mees & Hope NV

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Dresdner Bank

Union Bank of Switzerland (Securities)

July, 1980

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35,

Intrical Page

PRINTING

New colour presses

A NUMBER of time and laboursaving innovations are claimed ing device, completely indepenfor the new range of Aurelia dent of the inking system, is 500 series sheet-fed offset colour fitted as standard to all series printing presses introduced to 500 presses. It combines con-the British market by Oscar tinuous feeding and accurate Friedheim. The presses are metering with a multi-roller lay-designed to run consistently at out for even distribution of the up to 12,000 impressions an hour damping fluid. The result is and are said to be especially claimed to offer a substantial suitable for packaging print and short-run work.

to 520mm by 740mm, they can in time and materials. be supplied in one, two or fourunit assemblies. The machine layout allows manual access to two units from one working position, thus saving preparation time and also floor space.

The multi-unit presses can be fitted with a perfecting device to print both sides of a sheet in a single pass. The additional in a single pass. The additional transfer drum, swing-gripper tured by OMCSA Spa. or managed in a few minutes (Offset), 246-250 Waterloo S.E.1. (01-928) to permit a resumption of normal multi-colour printing.

A patented continuous dampimprovement in the ink-to-water balance, brighter colours, drier Capable of handling sheets up print and appreciable savings

A new vacuum-belt infeed and register system provided with the series 500 presses is claimed to ensure positive adherence of the sheet to the register table and to the front stops through a row of nozzles using the venturi effect.

Aurelia presses are manufactured by OMCSA SpA of Milan. Road, London, S.E.1. (01-928

© INSTRUMENTS

Measures the temperature

HAND-HELD instrument ing readings in degrees F or C. made by Linear Laboratories in the U.S. and supplied in the UK measures surface temperatures without contact by utilising the

infra-red emission. TherMonitor TMP100 is a fast response device having a digital, output linked to a liquid crystal display. It can measure the inaccessible items are also easily temperature of the emitting surface between -18 and +1.093 is incorporated to eliminate the deg. C with a claimed accuracy effects of ambient light, water

of plus or minus 1 per cent. There are no moving parts apart from a peak hold trigger control and a button for select-

The instrument is particularly suitable for scanning molten streams of material due to its fast response and applications will arise in the metals, glass, plastics, textiles, paper, food and petrochemical industries. The temperatures of moving objects, fragile surfaces and checked. An appropriate filter vapour and carbon dioxide.

More from 44 Wellesley Road, Croydon CR9 2BU (01-680 3666).

Precise time signals

of day based on the reception able for use by original equipment-makers (in computers, for of signals from the various special stations round the world (Rugby, for example) has been introduced by European Elec-tronic Systems, 22d West Station Industrial Estate, Mal-

example). Stand alone systems are available, with calender as well as time displays and corresponding electrical out-

The RCO60C can be used to oscillator to suit a specific trans- controlled and monitored by access scaffold around the area synchronise events at separated mitter, and this must be one processor. Hence a total to be painted and bolt it to the locations and as a master clock specified on ordering.

awarded a contract for the con-

Designed by Wimpey Group Doha is to be a 16m-gallon in the Lochend district of

the pipes for this part of the

tial value, says the company, by

North Thames Gas for remedial

Subsidiary company, Miller

(Caribbean) is to build 1,000 struction of a reservoir, valued

houses on the Bon Air housing at £3.2m to Wimpey Interestate for the National Insur- national in joint venture with

ance Property Development Arabian Construction Engineer-Company of Trinidad, under a ing Company.

Services the houses will be reinforced concrete structure built using the Contech system. together with pumping station,

Contech incorporates cast alu- chlorination plant, generator

minium shuttering which can station and associated pipe-be manhandled readily so work. The construction also

YORKSHIRE WATER Autho- laid, part of which will go under

rity has awarded a contract water in the reservoir. Cranes worth more than £1.5m to Miller of pontoons and a team of one pontoons and a team of the contract with position and the contract water in the reservoir.

Buckley Civil Engineering for divers will position and joint

tion of a large pumping station, Buckley Pipelines, has been the reinforced concrete base-

Some 1,100 linear metres of work on pipeline crossings in

Top quality system building - that's "Wernick built"!

Whether it's a fine two-storey office block a multi-

function sports complex, a hospital ward or a Scout

headquarters. Versatility has made Wernick Britain's

largest independent system buildings manufacturer,

It pays to see Wernick first. Free advisory & planning;

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based on providing the right building, at the right

fast delivery; assistance with finance-all part of

price at the right time - tailor-madel

Waterworks project

work at Chelker Reservoir, West operation.

large diameter pipework will be the Staines area.

Yorkshire, including construc-

ment of which is to be founded

Complex of Wernick buildings.

the Wemick service:

Liling and Livi Inginaring

ment (Oman).

Edinburgh, while Harris Queensway, of Orpington, Kent

has awarded a £600.000 con-

Fitting out

Shropshire.
Architects are Ketley, Goold

and Clark and the quantity surveyors are Banks, Wood and

Looks after

leaky roofs

NEW SEALANT for making

temporary repairs to flat roofs

also can be applied to leaking

Called Seal-X, it is supplied in

granules and able, therefore, to

e used even in high winds,

says the company. It is based

on bentonite, a mineral formed

by volcanic activity over 20m

years ago. Because it is com-

pletely enreactive, it does not

interfere with the materials

used to make permanent re-

Sealing action is due to ben-

tonite's property of swelling up

to 15 times its original volume

when in contact with water and

once the granules have been

poured into crevices and on to the surface of leaking roofs,

they expand to fill the available

space, eliminating further in-

Available from UK subsidiary,

Merseyside (051 630

Volclay, Birkenhead Road, Wal-

gress of water.

been introduced by

roofs even during rain or where

there is a residue of water-

American Colloids.

pairs.

a store

The Umm Said reservoir at the rehabilitation of 128 houses

e COMMUNICATIONS

Private viewdata systems

house company schemes - and there are only a handful of systems offered for Post Office itself. this purpose-have been limited either by high cost or by the dependence upon an existing computer within the user organisation

Thus, a new stand-alone offering called Incotel developed in the UK by Incoterm, a Honeywell subsidiary, at £17,000 paints a different picture and throws into sharp perspective the cost of setting up as a pri-vate user group within Prestel, the Post Office's public viewdata network: an entrance fee of £4,000 and a page charge of £4 per page per annum.

If, as many in the industry feel, there will not be a massive domestic interest in Prestel then systems such as Incotel

SAFETY & SECURITY

Watchdog

buildings

MULTIPLEX 2100 is described

as a technological advance in

PROSPECTS OF success for in-house company viewdata and it would come as no sur-or assuming a 10 per cent duty prise to see them offered by the ratio, 70 sets. Some 7,000 full

> Apart from purchase from Incoterm, the system is to be offered by Radio Rentals Contracts at about £750 per month, exclusive of colour receiver

It is based on the 20/20 minicomputer developed by Inco- For the normal user, operation term before the Honeywell takebytes of memory, a 10M byte fixed disc and a keyboard, or in the case of the Radio Rentals system, a hand-held keypad. It can be used for data extraction from the private viewdata store, access to Prestel, access to most maker's mainframes, or simply to receive television pro-

grammes. Up to seven television sets can

points can be processed by the

Telephone line communication, a time control facility, a remote visual display unit, and

remote printer and annuncia-

tor can be added.

In addition to the facilities

above, the 2100 will handle such

operations as the control of

ventilation systems, the return

of lifts to a specific floor, opera-

tion of evacuation signals and

automatic door closing in the event of a fire outbreak.

Detection and Controls Division,

Holmfield Industrial Estate, Holdsworth, Halifax, HX2 9TN.

Further from

Painting in

high places

PROMISING TO overcome the conventional, but often costly

and time-consuming, method of

providing access for painting

the top of tall chimney stacks, is a cradle scaffold system from

GKN Mills Building Services,

53, Uxbridge Road, London, W.5

This has been employed at

the Shell Stanlow Higher

Olefins Plant at Ellesmere Port

where work involved designing and erecting a scaffold that

could support a steel cradle

controlled by two electrically

powered Cablemaster winches

without bolting any part of the

novel, says the company,

because it would normally take

steeplejacks to erect a complete

Use of the cradle itself is

structure to the stack

(0422) 246281.

(01-567 3083).

system itself.

pages can be kept and assuming an average page, up to about 25,000. But the system can be extended to 100,000 pages, with

or their deletion or alteration. is very similar to that of the keypad to "home in" on the data needed by selection from progressively presented lists or menus." But passwords are frequently keyed, barring "outsiders" from access.

Uses to which a modernminded company would put incotel to improve its operations are wide-ranging. Customer ordering for example charged.

The scaffold was designed to

Although the top ten metres

of the stack had to be painted by Bierrum and Partners, the

cradle was capable of covering

the full height of the chimney

Watches for

AGD 5865 gas detector is de-

signed for continuous operation

to give a warning when the con-

centration of gas in the air exceeds a set level; for carbon

monoxide this may be set at any level between 20 and 200 p.p.m.

For safety reasons there is no

for applications were the type of gas leaking into the air in

industrial environments where

any gas emission needs to be

investigated can be assumed

To ensure that the instrument

inspection of the water level.

The instrument is intended

stack.

ik. Simplex **NOXIOUS**

gases

on/off switch.

humidity.

Spinney.

act like a bottle stopper and

dropped 1.2 metres inside the

could be simplified; wholesalers using a terminal over a phone about customers also becomes line could first of all bring the suppliers's stock position up on the screen, followed by what amounts to a page of conventional paper order pad. He can then fill in his requirements, having perhaps brought up a page which details any special offers currently being made. It is possible to connect both cassette recorders and printers so that copies can be kept.

Incoterm's marketing director Pat Kielty: "Prestel and other Within an organisation, execu-Special terminals are supplied tives at their desks can bring for the creation of new pages, up sales figures, histograms and so on to keep them in immediate touch with the business. It is also possible to display "probover in 1978 and includes 64k. Prestel service—he uses the lem" frames which might show, for example, the state of the delivery vehicle fleet, how many people are on holiday-whatever is felt to be significant. Other facilities include "broadcast" messages, messages to specific terminals, the ability to leave messages for others and, if it is needed an accounting system that allows frames to be

established viewdata services are primarily for providing public information to a wide spectrum of users. Incotel is a development of the Prestel concept which offers at an economic cost the same easy access and functionality, but allows large volumes of information relevant to specific organisations to be held on private systems."

tomers."

The company is at Boundary Cricketfield Road, House, (Uxbridge 56161.)

GEOFFREY CHARLISH

motor, less floor space is

The "DS" range can be equipped with either six or 12

station automatic tool changers

and can be developed into

a machining centre with pitch circle drilling, milling, boring and grinding facilities.

Schiess-Froriep (UK), Stock-

The precision rack cross rail

required.

The future for this kind of

private system is summed up by

METALWORKING

Keeps machines accurate 90-metre-tall stacks where it was braced against the inside wall.

HYDROSTATIC guiding is a major point in the design of has a high mechanical efficiency (giving optimum conditions for modern cutting tools) and is new quality vertical boring machines (table sizes from 1 metre to 3½ metres) recently extremely quiet in operation. Measured noise levels are below 80 dB(A) at maximum table 1 metre to 32 metres, launched by Schiess-Froriep. speeds. Additionally, due to the positioning of the main drive

accuracy as there is no metal to metal contact. Dynamic stiffness is also greatly improved, meaning that the basic horsepower can be used far more efficiently—giving better and faster cutting. Plunge grooving is a good example of an operation that is nothing short of impressive on the new range of DS machines.

A new main drive system to the machine table both improves efficiency and reduces the noise level. The two-speed vertically mounted planetary gearbox is mounted centrally

gearbox is mounted centrally well House, New Buildings, between the machine columns to improve thermal stability. It 1HW. (0455) 611177. PROCESSING

Will mix viscous fluids with some degree of certainty. Based on a solid-state gas sensor whose electrical conductivity changes when gas is present in the air, the sensor is housed in a special cavity which maintains its atmosphere at a high and constant humidity and consequently the sensitivity is unaffected by variations in and sealants is announced by and minimising clean up time Liquid Controls, Stewarts Road, and waste of materials. Northants

Wellinborough, N NN8 4RJ (0933 77571). retains its sensitivity a sufficient quantity of distilled water must The unit, which occupies be present in the cavity and a 615 x 755 mm of bench area and weighs 50 kg, is designated window is provided at the side of the instrument to facilitate Twinflow CVR and costs under

£5.2m for Taylor Woodrow

A BENCH-TOP automatic mix- such as urethanes, acrylics, ing. metering and dispensing epoxies, polyesters and silicones machine for the smaller user to be easily dispensed at the of two component materials same time eliminating operator such as adhesives, encapsulants skin contact, confining fumes

Making use of positive displacement pumps, the unit can cope with very high and low viscosity liquids (up to 500,000 centipoise) despite changes in operated self-test facility. £4,000. —It - allows materials back pressure and viscosity. ----

Structural Immediate access to data possible: their phone numbers steelwork can be brought up in alphabetical order and at a recent is part of_ demonstration at Incoterm's Uxbridge offices frames were shown giving business and per-Norwest sonal details of fictitious "cus-

Holst total capability

• COMPUTING Faster text for small systems

Uxbridge, Middlesex, UBS 1QG. MODEL 88T bidirectional impact printer from Impectron, is a low-cost machine designed specifically for the general small-scale computer market. Its versatility and high performance make it extremely useful for small business, educational, personal computing and profes-

sional users alike.

The 88T is capable of printing at up to 100 characters per second on roll paper, fan-fold forms or cut sheets, using either a pressure roll feed or tractor feed system. The adjustable tractors allow printing on pre-printed forms or continuous labels, varying from 1 to 9.5 inches in width. An easily inserted long-life ribbon cartridge eliminates messy ribbon changing associated with many similar printers.

Selectable character densities levelling system is such that it allow formatting of output in ensures parallelism between the either 80, 96, or 132 character either 80, 96, or 132 character cross rail and the table surface. lines. Double width characters
The "DS" range can be are software selectable for any of the three character densities and can be inter-mixed on a line for message high-lighting. A full upper and lower case 96 character ASCII set is printed in a 7 x 7 matrix to provide crisp, clear copy on the original and up to two copies.

The simplicity of the print mechanism and the maximum use of LSI chips on a single printed circuit board combine to give high reliability and ease of maintenance without sacri-ficing capability. A rugged construction and

ಕ್ಷಿಣ್ಣರು ಪ್ರಕರ್ಣ

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Note: The C

DE 115

deverant.

124 edec 15

continuous-duty print head allow it to be used in demanding data processing environ-ments, while the attractive styling complements the exterior design of most systems. Data input may be either

Serial (RS232C or 20 ma current loop) or parallel (Centronics compatible 7-bit ASCII) with a standard two-line buffer. Paper feed is up to 10 lines/ second, resulting in high print throughput, and the machine incorporates a push-button Impectron is on 0403 50111.

A RELATIVELY low cost pre- is able to drive remote displays. cision unit that displays time A single card version is avail-

don, Essex (0621 54703).

have been won by George

In Trinidad, George Wimpey

contract worth about £15m.

Wimpey.

Superhet reception is used with a crystal controlled local munication circuits can be

building safety and security systems. It will monitor and control fire detection installations, supervise sprinklers, run building security, aid security patrols and manage building energy consumption. Designed to be flexible and

cost-effective over many applications, both large and small. It can be installed as a small scale system which may be gradually expanded, both in terms of size and range of applications, as and when the need arises.

The heart of the unit is a central processor which actively monitors and controls critical functions throughout the building. Two-way communications by means of coded signals is continuously maintained be-tween the processor and remotely located transponders, which are linked to monitoring and control points either directly or via sub-panels.

The processor 5tself has a

visual display cont with key-board and a high speed 80 column printer capable of displaying a status summary on request. It will supervise up to 64 monitor points and 48 control points on the same pair of wires. Up to eight such com-

£20m overseas awards to Wimpey Housing in

CONTRACTS for overseas work speeding construction and includes access roads and site worth nearly £20m and for eliminating the need for services. Work at home totalling £1.6m rendering. In the Sultanate of Oman,

THE THIRD Collingwood Hous-In Qatar, the Ministry of Wimpey-Alawi LLC has started ing Association has awarded a £1.9m contract to Warings (Con-Water and Electricity has work on a £1.7m road building contract for Petroleum Developtractors) of Portsmouth for the In the UK, the Scottish construction of 94 dwellings at Special Housing Association Upper Bugle Street, Southamphas awarded Wimpey a contract valued at just over £1m for

Project comprises 17 singleperson and 77 two-person flats, together with two wardens' flats, communal areas, courtyards, car parks, landscaping, etc.

Scheme is due to commence tract for the construction of a retail store at Soho Road, Handsworth, Birmingham. next month and scheduled for completion in two years. Designer is Percy Thomas Partnership of Bristol, and quantity surveyor Whealing Horton and Toms of Christ-

A CONTRACT valued at £2.4m has been awarded to H. Fairweather and Co. (Wood Hall Building Group) for the fitting Warehouse complex out of the new Debenhams departmental store in the Development Corporation's started shopping centre at Telford,

CHARTERED quantity surveyor E. C. Harris and Partners says that work has now commenced on the construction of Standard Life Assurance Company's £1.8m industrial warehousing complex in Gildersome, West Yorkshire.

Building contract for the 100,000 sq ft development has been awarded to J. and J. Fee. Consulting engineer is J. Robinson and Son, and the architect Robinson Design Partnership.

Completion of the project is expected to be in the spring of 1981 when it will then comprise three buildings which will be available in large or small units with adjacent offices.

COMPLETELY new, a British

Equipment Division which has

been designed for both walls

increase site productivity and

and soffits.

sasisfactorily. Preparation was formerly carried out by shotblasting. Now, after galvanising cycle. Aluminium formwork system

At Crittall's Braintree plant aluminium window frames are finished by means of continuous automatic electrophoretic equipment. This dip technique of paint application employs a positive electrical charge. Aluminium sections immersed in a tank of acrylic paint become in effort paint become in effort paint paint. become in effect positively charged electrodes. Stainless steel plates hung over the side of the paint tank act as negative electrodes, and when a direct current is passed the coating is deposited on to the aluminium surface with a high degree of uniformity.

The process is claimed to be one of the few that pre-heats, paints and stoves aluminium extrusions in a continuous

landscaping.

and angulary buildin facturing facility for UOP main manufacturing block will be 182 metres by 98 metres and Bostrom Europe at Round attached will be a 2 and 3-storey Northampton, has office building. just been started by Taylor Various ancillary buildings

Woodrow (Midlands) under a are to include an electricity contract worth nearly £5.2m. sub-station, pump houses and The project entails erection chemical stores and the contract production block, offices also calls for internal roads, 1981.

The architects are Temple Cox Duncan Associates: structural engineers are Baynham. Meikel and Partners and the quantity surveyors are Poole Stokes and Wood. Completion of the project is due in June

prime office location.

Work has begun by Willett

on four single storey individual

units at Balmoral Grove in the

London Borough of Islington.

Also, three existing units will

be refurbished as part of this contract which is valued at over

£im. This is part of a continu-

ing programme of development

providing industrial premises on

infill sites throughout the

borough. The company says it

has already completed 25 such

CRENDON CONCRETE FRAMEWORKS ne right way tobuild **FACTORIES OFFICES** & WAREHOUSES RENDON CONCRETE CO. LTD Long Crendon Bucks, Tel: 208481.

Awards to

A. H. Wilson

AMONG RECENT CONTRACTS

totalling about £1m awarded to

A. H. Wilson and Son (Contrac-

tors) is a £im-plus building project for Anglia Commercial Properties at Wigston in Leicester. This consists of ware-

house and office accommodation.

undertaken by the company in-

clude work for Leicestershire

Other major projects being

Willett Group wins over £8m

CONTRACTS RANGING from a centre. Total contract which major shopping development in has just commenced will be Kent to the second phase of an completed in the early part of industrial building programme for the London Borough of Islington form a total of more Islington form a total of more ber of the group) has been than £8m won by Willett, part awarded a £2.3m job for the

of the Willett Group. Largest project is a £5.6m shopping development in Tonbridge, Kent for J. Sainsbury. This includes a supermarket for Sainsbury's, and department Developments. To be completed store for Bentalls totalling in two years, it will give 5,249 7,750 square metres, together square metres of office space in

1982. Cementation Building (mem-

construction of a six storey office block complete with services and external works. Project is near the city centre in Cardiff for Trafalgar House with a community and sport what is considered to be a £1.6m.

Frames in many colours

bers are secured by wedges the beams are compatible with

Duralife plant installed in its ractory at Witham, Essex. In place of the conventional

hand sprying, the equipment is fitted with a battery of spray guns which apply the dry powdered paint. The process is completed by stoving the frames at 210 degrees C for 20 minutes, causing the powder to melt and the particles to flow together and form a hard bakedon surface. The painted finish is purely decorative, since the previous hot-dip galvanising process minimises the incidence

Another innovation at Witham is the method of preparing the galvanised frames so that the polyester paint powder adheres

A VARIETY of colours in and before powder coating, addition to the regular white the frames are chemically finish for steel-framed windows is now available from Crittall's stage process.

units at an overall cost of County Council and Pakwain of Markfield, Leicester. More work for Lovell

FOLLOWING THE structural under a separate £3.75m negotiated contract with CIN Pro-

The office blocks will form the first two phases of a possible five phase development by the pension fund to provide prime business accommodation on the Western Road site, adjacent to the town centre pedestrian shopping precinct

Orders for

THE structural engineering subsidiary of the S. W. Farmer Group, S. W. Farmer and Son has won two contracts.

One, valued at £600,000 is for treatment and shipment to Damman, Sandi Arabia of 700 tonnes of structural steel which will be used in the construction of a desalination plant at Al this DM 45m (£11m) bridge will Khobar, Eastern Province. This start in August and is expected to be completed by the end of October.

Wycombe, Bucks for G. D.

Work on phase one is due for FOLLOWING THE structural completion of a £1.2m four-storey office block in Romford town centre for CIN Properties (Coal Board Pension Fund) by Y. J. Lovell, the company has now started work on a second, larger building on the same site of office accommodation. Although this building will be

of similar construction to phase one it will also embrace the provision of a link bridge between the two buildings.

Lovell's contract also covers some fitting-out to tenant's requirements, such as provision of

computer accommodation and some partitioning to form

IN BRIEF

• Following the collapse of the Almo bridge across the Hake fjord north of Göteborg after being rammed by the Liberian cargo vessel Star Clipper on January 18, the Sweish Government commissioned the Swedish concrete contractors, Skanska-Cementgjuteriet and Erupp the design, fabrication, metal Industrie and Stahlbau, Duisburg-Rheinhausen to rebuild it. Krupp is to supply the struc-tural steelwork, the Swedish company being responsible for

The second contract is for Bovis Construction has Matthew Hall Norcein Engineer received a £330,000 contract from Chiesmans (subsidiary of process plant steelwork to be delivered and erected at High structural alterations to the

the concrete work. Work on

main store at Lewisham aligh Street, London SE13.

WERNICK Britain's largest independent manufacturer of timber-frame system buildings.

hammer. At the heart of the system application. Nevertheless, it face. are two beams extruded from uses a simple range of compo-

Beams in the Du-Al Form

aluminium formwork system has which are tightened quickly, timber as the two depths probeen launched by SGB Building simply and rigidly with a duced are 225mm and 150mm. The secondary waling beam in-Du-Al Form can be used for corporates a timber infill for

optimise the use of labour. The system are not confined to a par- SGB Cuplok support scaffold benefits are not just limited to ticular function. Soldier and and the large grids that can be ing and calls for 300 tonnes of site. Substantial savings in waling members used in wall achieved with Du-Al Form give transport and storage costs also construction may be used as pri- greater economy of support. ensue. Fast-action fixing devices mary and secondary beams in are used throughout, as mem-floor construction. The sizes of CR4 4TQ. 01-648 3400.

almost any wall or floor support easy fixing of the plywood form In floor construction the prihigh-quality aluminium alloy. nents to rationalise stocking mary beams are carried by a Light and easy to handle, they requirements.

50kn support head, The metric lengths are compatible with an

SGB Group, Mitcham, Surrey

ETHIOPIA

President Daniel arap Moi has begun to make his mark on Kenya. He has released political prisoners and has brought the Luo people back into the political mainstream. But the country faces a period of austerity and until economic circumstances improve, social welfare programmes will remain unfulfilled.

Hard times lie ahead

By Michael Holman

KENYA HAS entered the 80s with a characteristically frank assessment of the prospects for

its 15.32m people.

Earlier this year the equiva-lent of a Government White Paper warned that "a time of austerity" lay ahead. Only last month the message was re-peated by President Daniel arap Moi who, having moved to consolidate his position, has stepped out of the shadow cast even in death by the late Jomo

A general election last November which saw nearly a third of the Cabinet rejected (a not unusual turnover at Kenyan polls) followed by two Government reshuffles in the intervening months, has given Mr. Moi the chance to stamp his own mark on an administration inherited nearly two years ago and which he was careful to leave almost unfouched until

in August 1978 has changed in meaning. At first it represented continuity at a time of concern about the succession issue. But it has since come to mean following in the footsteps of the President himself.

A series of populist measures -the extension of free primary schooling, free milk in schools undoubtedly boosted the standing of a man who lacks the charisma of a Kenyatta.

The Nyayo theme of "love, peace and unity," tirelessly put across at railies across the country, was given substance by the release of political detainees and, over the past few months, a remarkably successful attempt to bring the Luo people Kenya's second largest tribe
 back into the political main-

But the picture is marred by some disquieting developments. For the first time in Kenya's post-independence history, people are queueing for maize meal in Nairobi and other centres. The reasons for the shortage are set out in detail election last elsewhere in this survey. In th saw nearly a essence there seems to be little doubt that it has been caused by poor weather and bad planning, brought to a head by unauthorised sales of the national stock, and exacerbated by panic buying, smuggling to neighbouring states and distribution problems.

It has been a profound psychological shock to a country which has prided itself on selfsufficiency in this staple food circumstances improve, full to adopt this decade.

happened under Kenyatta." It is an embarrassingly open secret that some 300,000 tons of maize

originated in South Africa. In recent weeks the Kenyan Press has shown that it is not prepared to let the matter drop, and the consequences of this could be profound. Some of those implicated in the unauthorised sales may be very senior officials indeed. In a country where nearly all politicians and top civil servants substantial interests, there is no knowing where allegations of corruption might stop.

Damaging

The most damaging possi-bility is that politicians may pursue the issue not so much to get to the bottom of the affair but to use it as a stick with which to beat their rivals. Many observers and members of government believe that President Moi, in what will be a test of his authority, must intervene, put an end to the sniping and draw a veil over an affair which is reflecting to no-one's credit. The maize embroglio aside, under President Moi retains its admirable capacity to identify economic problems and put forward blueprints for "The brutal fact," warns the

His rallying cry of "Nyayo" and it has also been a blow pursuit of social welfate objectives of the wake of Kenyatta's death government. All too often the other words, the objectives of in August 1978 has changed in comment is heard: "It never the 1979-83 Development Plan which concentrates on the basic earnings from these two needs of health, education and crops soared. Were it not other social services—cannot be for that relief, the Kenyatta supposedly imported met during the austerity years
Mozambique actually ahead.

Ironically it is the postindependence achievements in these fields which partly account for one of Kenya's most A population growth of 3.9 per cent a year, probably the highest in the world, will double the number of Kenyans in 18 years, far outpacing the capacity of the State to meet their needs.

Further, only 17.4 per cent of

the land is arable, and the rest is marginal or semi-arid. Thus occupation density of those arable areas is steadily increasing, and holdings are becoming fragmented. Yet any widescale use of the marginal land is dependent on costly irrigation schemes which, given the economic squeeze and stagnation of aid, are probably out of reach for the forseeable future. It should be said, however, that while the impact of external economic factors is profound, the structural weaknesses of the Kenyan economy

were becoming apparent by the mid-70s. The remedies that were advocated then-increased agricultural productivity (both food and export crops) and a shift in the industrial and manufacturing sectors from import substitution to exports Sessional Paper on the economy. "is that until our economic - remain the course Kenya has

1976-77 simply bought time which could perhaps have been better used. Foreign exchange administration, marked in its final years by the growing acquisitiveness of a powerful clique and serious corruption, would have faced the brunt of the problems that President Moi has inherited.

Perhaps the most encouraging aspect of the new administration is the change in method of government. The country is now run by a working Cabinet of younger, generally better educated. men rather than through the extraordinary influence of a uniquely powerful but aging individual, exercised through a select few.

The best example of this is the Sessional Paper itself, which went through no less than five Cabinet sessions of vigorous debate. Not, according to one Minister, in order to tone down the grim message (the paper emerged essentially unchanged) but as part of a learning process.

However, implementation of an austerity programme re-quires a confident, determined leader surrounded by loyal lieutenants who together will share responsibility. Whether the Kenya Government can adopt this approach will depend on the outcome of an interplay key political

self and there is no evidence

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that this seriously challenged. But beneath him is a trio of disparate personalities jockeying for position:

Vice-President Mwai Kibaki, a Kikuyu and an outstanding

Minister of Finance. Mr. Charles Njonjo, former Attorney General and fellow Kikuyu though from a rival clan, recently appointed Minof Constitutional and Home Affairs.

leader of the Luo people, and though not in Parliament, as influential as any Cabinet Min-

Perhaps the most remarkable that belies his years. A senior On top is President Mol him-development under the Mol aide, Mr. Achieng Oneko, has CONTINUED ON NEXT PAGE

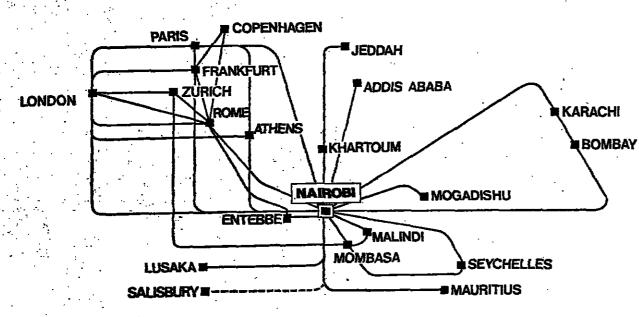
tation" of Mr. Odinga, who though released from detention in 1971 has been kept out of politics by the refusal of the ruling Kenya Africa National Union to issue him with a party membership card.

The influence of this veteran politician was proved beyond doubt at the November general election. Although the lack of a membership card meant that he could not stand himself, most Mr. Oginga Odinga, a former Luoland candidates who en-Vice-President under Kenyetta joyed his support swept home. until he was detained in 1967.
Mr. Odinga was subsequently made chairman of the State-Cotton Marketing Board, a job he has thrown himself into with an enthusiasm

CONTENTS The economy Foreign policy

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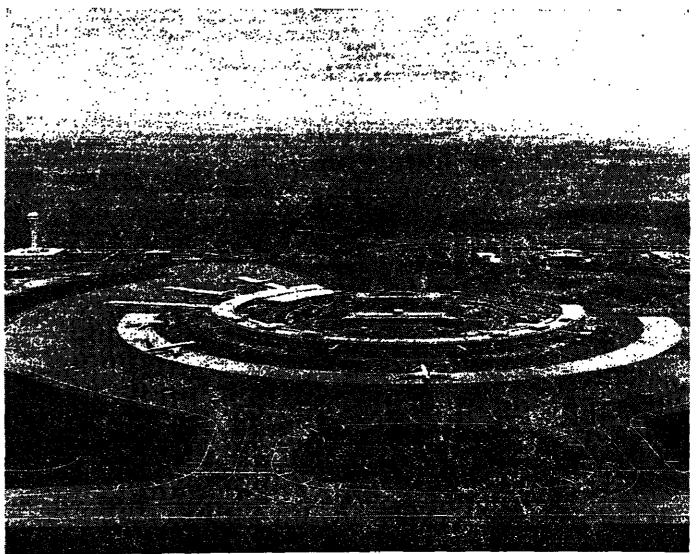


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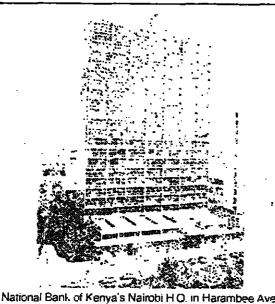
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envisaged in the Plan."

else it may be accused of, the much of industry. Government cannot be charged with failing to take—and spell out publicly—a hard-headed view of the economic difficulties facing the country.

No. 4, which was presented to enjoyed an average annual raw material and intermediate Parliament in May, is a remark. growth rate of nearly 6 per cent. goods supplies, while exports ably forthright analysis of the economic position, and an attempt to reassess the assumptions and targets of the 1979-83 National Development Plan, published only last year, in the light of steadily deteriorating circumstances.

There is no doubt that Kenya. for so long one of the economic successes of Africa, will face bard times in the near future. The reasons are not hard to find. The most important is that in spite of being cushioned by a short-lived boom in the prices of its major exports—coffee and tea-three years ago. Kenya has it slows down. It is already be-now become embroiled in the ing felt by the people. The imclassic Third World poverty trap of soaring oil and general import costs and stagnant export earnings.

Volatile

While Government revenues have similarly stagnated because of sluggish economic growth, and international aid flows are unlikely to expand at a time of financial stringency in the leading industrialised nations, calls on Government spending continue to increase at least as fast as the rapid population increase; and any down was the poor performance attempt to finance the deficits of agriculture, after a series of by borrowing are only likely to fuel a volatile inflation rate.

The unfavourable combination of economic circumstances

"WE MUST face squarely the series of natural disasters and fell, and tea also earned less, import deposit scheme. The this year and beyond The Sesfact that the coming years, and human errors: the failure of the because of lower world prices net result was a reduction in sional paper suggests that the the next two years in particular, short rains last year, after a de in spite of an increase in prowill be a time of austerity dur- cision had been made to export duction. The two crops earned ing which there will be slower much of the existing maize re- farmers K£173m in 1979, comgrowth of the economy, less im- serve, has led to shortages of pared with K£197m in 1973 and

Government White Paper on led to drastic electricity ration- in the previous year. economic prospects. Whatever ing and short-time working in

> Prosperity is there for all to see, in the skyscrapers of Nairobi, the well-stocked shops (until the maize shortage), and the Mercedes-Benz cars of the Wabenzi, the wealthy Kenyan entrepreneurs. But equally

> poverty-which Nairobi's squatter camps and shanty-towns reveal For Kenya is a poor country with a soaring birth rate.
> "We have had a period of very sustained growth." Mr. Mr. Mwai Kibaki, the Vice-Presi-

dent and Minister of Finance, told the Financial Times. " Now pact will be felt here more than in other countries in Africa, because they didn't have the very high growth rate in the first place.

Last year the rate of growth of real Gross Domestic Product in Kenya slowed to just 3.1 per cent, equivalent to a decline in real per capita incomes, as the Government moved to tackle the ance of payments and its budget. The growth rate was only half that of 1978 and two-fifths of 1977. A major cause of the slowrelatively good years; the long rains were less heavy, and the short rains failed almost com-

Consequently, coffee output

CONTINUED FROM PREVIOUS PAGE

ployment creation, and more the country's staple food unpre-limited social services than were cedented in recent years. time both maize and beef pro-The same brief drought is also duction fell, with the net result Those sombre words represent blamed for a power crisis in the that the sector produced 1.2 the theme of the latest Kenyan early months of the year which per cent less in real terms than The manufacturing sector, usually an area of high growth.

That political leaders should also slowed down, with output hasten to spell out the dire con- increasing by little more than sequences of the situation is 7 per cent, compared with 12.6 perhaps a result of the high exper cent in 1978. The introducacing the country.

pectations of their electorate, tion of an import deposit
The so-called Sessional Paper Since independence, Kenya has scheme undoubtedly affected were still restricted by the lack of reliable markets, in Uganda and Tanzania.

> On the other hand, the construction sector expanded by more than 10 per cent. working on building plans made at the time of the 1977 coffee boom.

The other disappointing performance was in tourism. which had an indifferent year with a decline in real earnings, in spite of a small increase in the number of visitors:, a reflection of the economic downturn in the industrialised countries, and an increasing trend towards package tourism. (The impact of the power cuts this year could hit any hopes for renewed

Directive

In spite of the slower overall growth rate there was an employment but this was parily a result of the presidential directive issued during the persistent imbalance in the bal- year that all employers increase their work force by 10 per cent.

The slowdown in the rate of economic growth resulted in the 8.8 per cent achieved in unexpected improvements in three areas: the balance of payments, inflation, and Government's budget deficit. The value of exports rose by K£17m (a)though re-exports of petroleum products was a major K£41m largely because of the

primary product prices have languished. Between 1975 and 1979 exports of all goods other than food and food products, and petroleum products, increased by little more than 3 per cent in current prices—from K£88.9m to K£91.7m—a decline

The import bill has been inflated by a range of factors apart Luos, but by a conscientious from oil. The price of imported selection of Ministers and capital goods and machinery has a Assistant Ministers from every increased at a faster rate than district in Kenya, thus ensuring other goods: the cost of "mach" a truly national administration, inerv and other capital equippurchases have also been a foreign on exchange resources. Total recurrent and development spending on defence rose from K£6.47m in 1970-71 to £108.8m in 1978-79.

reserves of R£73m.

with K£23m in 1978, while the development budget expected to be underspent by

some K£40m. than last year.

Meanwhile, the rate of inflation has accelerated once more, to a rate of 13.5 per cent in the 12 months from April, 1979, to April, 1980. Somehow, the Government must balance the need to control inflation, and bolster its foreign reserves, against its desire to maintain welfare spending.

Inevitably, oil has had the biggest single influence on the balance of payments. Perhaps the most graphic illustration of the cost of oil to Kenya is to compare it with the proceeds of coffee, the country's most im-portant export. In 1973 oil cost KE21.6m, or approximately 60 per cent of that year's coffee evport earnings. By 1979 the cost of oil imports had risen to K£133.2m, or some 120 per cent of coffee earnings. coffee boom of 1977 was, in comparison, all too short-lived, and

and Kenyan output have steadily Although tea production has increased its price has also feilen. The two commodities. which in the past have provided up to 60 per cent of Kenya's foreign exchange, constituted

since then both the world price

50 per cent of exports in 1978. and under 45 per cent last year. any more of its \$200m Euroloan, duce its budget deficit by pro-Manufactured exports have or borrow any further money viding some Kf74m in extra failed to provide any relief as at commercial interest rates.

in real terms. according to the latest economic

Finally, in the present year, the cost of emergency food imports is an unexpected major burden both on government resources and foreign exchange reserves. Mr. Kibaki announced in his budget that grain imports were expected to cost K£35m

All those factors seem certain

the trade deficit from K£265m cumulative deficit on current to K£207m, and because of account between 1979 and 1983 increased foreign borrowing, an should be put at EK1.03bn, comactual increase in foreign pared with the development reserves of K173m. plan estimate of K1511m.

The rate of inflation was kept Although it forecasts an into 84 per cent, compared with crease in capital inflows throng 12.3 per cent in 1978, and an the same period from RE571in average 9.3 per cent since 1970. to K£823m, the end result would The Government's current be an overall deficit of K£203m, surplus was K£53m compared instead of the surplus of K£60m. forecast in the development was plan.

As for the Government's own budget deficit, it has been in In spite of the apparent im- creasing at an annual rate of provement, however, none of more than 22 per cent since the underlying problems of the 1970 to reach an average economy has been resolved. As K£128m in the past three years, the sessional paper stresses, the latest the latest thadget two major constraints remain announced in the latest hadget the latest that latest the latest the latest that latest the l the balance of payments and the it stood at K£124m. Although current revenue has actually Government budget deficit— current revenue has actually both if anything more acute increased faster than current spending over the period it has been outweighed by the rapid increase in capital spending, which has had to be financed by both domestic and foreign

loans. Key elements have been the rapid increase in the education budget (from K£27.6m in 1970-1971 to K£108.2m in 1978.79) and in defence spending. Food purchases are an additional burden in the current year.

answer to pay for the respective deficits, the Sessional paper con-cludes: "Kenya cannot finance balance of payments deficits by. means of external borrowing beyond certain limits without doing irreparable damage to its for export incentives is seen as hard-carned international reput a form of hidden devaluation. hard-earned infernational reputation for credit-worthiness," it

defined limits on the extent to ports and exports. But their which budget deficits can be very inelasticity (some 90 per financed by reliance on domestic cent of imports fall under the sources of credit without gener classification of oil, or industrial ating uncontrollable inflationary inputs, which could be regardedating uncontrollable inflationary Nevertheless, the Government

is clearly hoping for substantial soft loan assistance from both the World Bank and the International Monetary Fund, but it Nevertheless, it answers the has decided not to draw down Government's other need to re-

Negotiations.

In June, Kenya drew the first \$35m tranche of a \$70m World Bank programme loan on the understanding that it will under- tion in Kenya's external trade take a programme of restructur- relations. ing the economy to overcome Perhaps the most serious the fundamental imbalance in criticism of Kenya's economic its external trade. It is cur and financial management is rently negotiating further cree that while the Government is dit facilities with the DMF.

In his budget, delivered in inery and other capital equip major steps to meet the con will to implement those solument in the Kenya trade ditions lyaid down. A major tions. Thus in spite of regular figures rose from K£61.7m in part of the strategy is to stimular criticism of the ad hoc system 1975 to K£125m in 1979. Beforce the strategy is to stimular criticism of the ad hoc system 1975 to K£125m in 1979. Beforce the strategy is to stimular criticism of the ad hoc system 1975 to K£125m in 1979. Beforce the strategy is to stimular criticism of the ad hoc system 1975 to K£125m in 1979. Beforce the strategy is to stimular criticism of the ad hoc system 1975 to K£125m in 1979. Beforce the strategy is to stimular criticism of the strategy and the strategy is to stimular criticism of the strategy and the strategy is to stimular criticism of the strategy and the strategy is to stimular criticism of the strategy and the strategy is to stimular criticism of the strategy and the strategy is to stimular criticism of the strategy and the strategy is to stimular criticism of the strategy and the strategy is to stimular criticism of the strategy and the strategy is to stimular criticism of the strategy and the strategy is to stimular criticism of the strategy and the strategy is to stimular criticism of the strategy and the strategy is to stimular criticism of the strategy is to strategy in the strategy is to strategy in the strategy in the strategy is to strategy in the strategy in the strategy is to strategy in the strategy in the strategy is to strategy in the strategy in the strategy is to strategy in the strategy in the strategy in the strategy in the strategy is to strategy in the strategy in the strategy in the strategy is to strategy in the strategy in the strategy in the strategy is the strategy in the strategy in the strategy in the strategy is the strategy in the strategy in the strategy is the strategy in the strategy in the strategy is the strategy in the strategy in the strategy in the strategy is the strategy in the strategy in the strat greater competitiveness in export markets by removing existing protective barriers and ducing tariffs. Mr. Kibaki has thus with-

drawn the right of Kenyan manufacteurers to have some imports completely suspended, and instead raised tariff walls Another step taken with the intention of removing hidden subsidies from industrial sector, balance between expensive and inefficient industry and invest-ment-starved agriculture, bas ment-starved agriculture, has for the present imbalance to been to allow interest rates to radically aftered.

BASIC STATISTICS

Area (square miles); GNP (1979): ...

Exports (1978): 3985.3 Imports:

Trade with UK (1979): Exports: Imports:

Currence: £ = 17.255 Repor

Mr. Kibski said the present rates also gave an advantage 40. labour interisive projects — con-trary to the emphasis of the development plan on jub crea-tion, when he instructed posmercial banks to raise their minimum rates from 5 to 6 per cent and maximum rates from 10 to 11 per cent.

the-board 10 per cent increase Further horrowing is not the on Customs duty on all imports, answer to pay for the respective in addition to the selective high deficits the Sessional paper contaries on incurry items, to pay for a more attractive system export promotion.
The imposition of an across-the-board import duty to pay

which is something Mr. Kibaki ys. has always resisted as inappro-Likewise, there are clearly priate to Kenya's inelastic imas more or less essential) means have a substantial effect on the infiation rate. (Some fear it could even rise to 20 per cent.) revenue:

Criticism of the budget is that it is simply not tough enough to redress the balance of payments, and while it balances the budget on paper, it does not allow for any further detectors

Perhaps the most serious good at identifying the problems in and suggesting solutions if has June, Mr. Kibaki took several frequently lacked the political pricing which has often made urban jobs and investment more attractive than those in replacing them with steadily re- agriculture, little has been done to work out a coherent system, related issues such as providing credit facilities for farmers, improved storage and better systems of marketing agricul-

tural output____ Too many powerful political figures and senior civil servants therefore helping to redress the have interests either in the middlemen operations in agri-

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been appointed chairman of the of the President's death. And attempt by Mr. Odinga to regain National Film Board. And when Kenyatta died, Mr. Njonjo the office he lost in 1967. among the Luos in the Cabinet moved swiftly to ensure that is Mr. Peter Oloo-Aringo, Minthe letter of the constitution

Hard times

ister for Information. and was observed and threw his known to be close to Mr. weight behind Mr. Moi.

One result is that the President has received a warm welcome in Lucland, in contrast to Jomo Kenyatta's last visit when the Presidential car was stoned by anary residents. And Mr. Moi. a member of the small Kalenjin tribe, may have found a useful set of allies with which to balance the influence-and Kikuyu, Kenya's largest and most powerful community.

But where does Mr. Odinga go from here? Last month he received his KANU membership card and is thus eligible to stand for Parliament. Will a Luo MP step down? Has Mr. Odinga retained the socialist views which were one of the reasons for his clash with Kenyatta? And if in Parliament, would the former Vice-President be offered a Cabinet post. Mr. Odinga keeps the answers to himself.

The fascination over Mr. Odinga's remergence muo public life is only matched by speculation about the plans of Mr. Charles Njonjo. He was Attorney General from 1963 until earlier this year and has always wielded enormous power, combining a forceful personality and a sharp mind. He played a major role in ensuring the stability of the transition from Kenyatta. When the "Old Man" was alive he ended a "change the constitumovement which would prevented the acting presidency from automatically

Unopposed

pletely in many areas.

Many observers thought that Mr. Njonjo would be content to remain Attorney General, with its ex officio Cabinet place. But in April this year, he threw his hat into the parliamentary arena. The sitting MP for the constituency Nairobi stood down (later to be given a post with a state-owned company). Mr. Njonjo resigned his office and was nominated unopposed-all in a matter of days, giving opponents no time

to marshal their forces. After a short period on the back benches, Mr. Njonjo was brought back into the Cabinet as Minister of Constitutional and Home Affairs during the June reshuffle.

Where does the pin-striped 60-year-old lawyer, whose sharp and often caustic tongue has won him some powerful enemies, go from here? He is the first to disavow presidential ambitions, professing absolute loyalty to President Moi and pointing out that the President is, after all, the younger man. That then leaves the Vice-

Presidency-a stepping stone to which may be provided by elections with KANU, the country's only legal party, scheduled to be held by October

this year. But should he run, it brings him up against Mr. Kibaki, the third member of this influential trin. And this opens up the prospect of a tough fight within Kikuvu going to Mr. Moi in the event conceivably open the way for an

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the office he lost in 1967. The tension created by these rivairies, still for the most part below the surface, are offset not only by handling of the.

It also means a top-heavy dministration, since the total administration, since of Ministers, their assistants and the 12 MPs nominated by President Moi. majority in the 158-seat Parlia-ment. Yet despite this arithmenį. metic, back bench MPs press issues such as land allocation and corruption and cross-question ministers with a vigour that ensures that the House is a far from dull place.

In foreign affairs, President Moi has adopted a far more prominent stance than his predecesand consolidated the already close ties with the West. Al the same time he has been carefully building up links with the Arab states—though with the Arab states—though with to result in a renewed deteriora- rise from their artificially de-the probable effect of eroding tion on the balance of payments pressed level. links with Israel.

However, regional tensions must remain his prime concern. The open dispute with Tanzania over developments in Uganda, where ex-premier Milton Obote is coming closer to regaining the post he lost to Idi Amin in 1971, stems from two concerns.

Kenya fears an alignment between its two socialist neighbours which could ultimately threaten what has been a lucrative market in Uganda; and such an alignment may provide inspiration for critics of the broadly capitalist Kenyan

Meanwhile the deep distrust of Somalia, which clings to territorial claims on northern Kenya, remains. Most Kenyan officials consider the US\$600m-US8700m laid out on military equipment in the latter half of the 70s money well spent.

Two concerns arise. Some of the defence purchases have of questionable value, while the armed forces have yet to reach the level of expertise required to utilise effectively and maintain highly sophisticated equipment. And in the meantime there is growing corps of young, well educated officers who will be closely watching the performance of the politicians in the difficult years ahead.

Though President Moi now

has an administration of his own choosing, it remains to be seen whether he can provide the tough measures that are necessary. To some observers the reguiffles, though ensuring a broadbased administration, also reflect a reluctance on the part of the President to take on some powerful vested interests. As one diplomat observed: "Nobody's head ever rolls. It's rather like Snakes and Ladders, and players stay on the board provided they keep their seat in general elections.'

Thus while Kenya remains an impressive example of stability in Africa, the combination of economic problems, regional tensions and some internal political rumblings add up to a demanding challenge at a time when the post-Kenyatta leadership has yet to prove itself.

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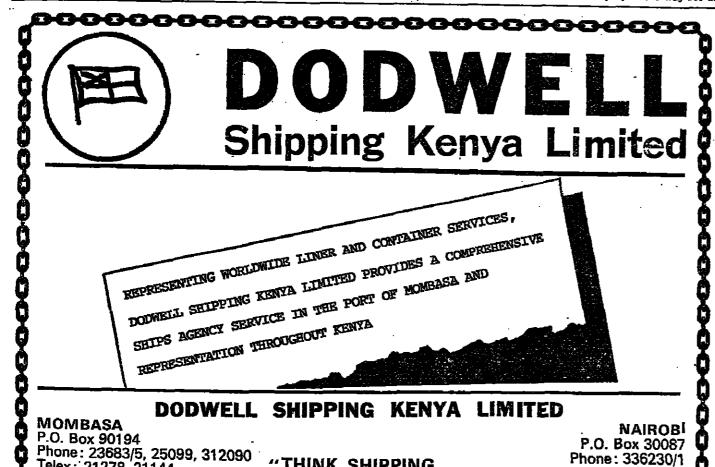
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Main foreign policy worries remain close to home

THE FUNDAMENTALS of Israelis, with powerful friends Kenyan foreign policy have in Cabinet, still play an import-been left relatively unchanged ant role in defence (providing by the outgoing and sometimes forthright stance adopted by

President Moi.
Existing close ties with the
West have been confirmed. Arab
states have been courted, bringing in aid and the possibility of concessional oil terms. But the major—and most worrying— foreign policy issues remain close to home. Fears about the possible consequences of Somali territorial claims on northern Kenya have not been set at rest. while the continuing uncertainties in Uganda have left relations with Tanzania as strained

The aging President Jomo Kenyatta ventured beyond Kenva's borders only once during his 15 years in office. By contrast his successor has embarked on a wide-ranging series of trips whose success is presented to the electorate in terms of oil facilities, aid deals and food supplies.

The journeys have taken the President to France in 1978, Britain and Holland in 1979, West Germany, the U.S., Iraq and Abu Dhabi this year. And unlike his predecessor who showed little enthusiasm for hosting an Organisation of African Unity (OAU) summit. African heads of state will meet in Nairobi next year and President Moi will thus be chairman

Discreet shift

One result of the President's journeys to the Middle East appears to be a discreet but definite shift in relations with Israel. Apart from resulting in a substantial inflow of aid (notably from Saudi Arabia) a concessional oil deal with Iraq is currently being negotiated.

Kenya, like other developing states, is finding the mounting fuel bill (K£133.2m in 1979 or 24 per cent of export earnings, compared to K£21.6m in 1973, under 10 per cent of export earnings) a major factor in the serious balance of payments

Liberation Organisation offices his closest advisers personally, in Nairobi is seen as evidence rather than fully aired in of a shift in Kenya's stance. The Cabinet.

in Cabinet, still play an import- disclose details, and there was ant role in defence (providing some irritation in Kenyan the Gabriel missile system, for example, and national service training) and construction. But most observers agree that their position will be eroded in the coming years.

Already regarded as one of the West's staunchest allies in Africa, a series of decisions by Preident Moi has underlined that relationship. One of the most significant was Kenya's role as the sole black Commonwealth contributor of a contingent of 50 men to the ceasefire observer force which played a vital role during Zimbabwe's transition to indepen-

At a highly sensitive time it helped blunt Patriotic Front criticisms of the force's predominantly white make-up. President Moi's threat to pull out his men unless a contingent of South African troops moved from the Zimbabwean side of Beitbridge never seriously affected the close relationship Britain enjoyed with Kenya and

himself to President Carter by erce in Mombasa. his unequivocal condemnation Moscow Olympics—and doubt- lapsed in 1977. Little emerged less this was a factor in the other than mutual expressions sympathetic response from the to Kenya's request for urgently needed maize supplies. aisa, successor to the ousted What is far more delicate, Yusufu Lule, was a leader however, is the role Kenya is prepared to play in President Tanzania. Carter's Indian Ocean strategy. It was announced in Washington last month that agreement had been reached on U.S. use of Kenyan facilities, notably the port of Mombasa and the airfields of Embakasi and

Nanyuki. decision becomes part of the long running debate in Africa about the military role on the continent of foreign powers. Not surpris-Though not seen by diplomats ingly, it is covered cautiously as a quid pro quo, the opening in the Kenvan Press and earlier; this year of Palestine handled by President Moi and the Kenyan Press and

circles at Washington's timing of the brief official announcement shortly before the Organisation of African Unity summit

in Freetown last month.

It is an issue in which the United States must tread carefully, for it has also been pursuing-so far unsuccessfully the possibility of the use of the Somali port of Berbera. The negotiations have broken down over the massive price Major-Barre General Siyad demanded, both in cash and armaments, much to the relief of the Kenyans. They fear that one day arms provided under such an agreement could be turned against them, and the U.S. would prove as ineffectual a restraining factor as was the Soviet Union when Somalia invaded the Ogaden in 1977-78.

Hopeful note

Meanwhile, relations with Tanzania remain poor. The year began on a hopeful note when the leaders of the two counif added to the President's tries and the then President of status in the eyes of onlooking Unanda, Mr. Godfrey Binaisa African states.

Were joined by President Numeiri of Sudan, at a confer-

It was the first gathering of of Iran's taking of American the presidents of the East broadly capitalist line continued hostages and his boycott of the Africa Community since it col- by President Moi. of goodwill. But at least it appeared that President Binacceptable to both Kenya and

All changed with the coup which in May deposed Mr. Binaisa. It was led by Mr. Paulo Mwanga, a close associate of ex premier Obote. The six man military commission, chaired by Mr. Mwanga, appointed a Cabinet in which up to half the members were seen as Obote

The Kenyans' worst fears ere realised. The press were accused President Nyerere of taking a further step towards reinstating his friend and beachside neighbour, who himself returned from exile to Uganda in late June. The Military Com-

Both parties are reluctant to party elections will be held by isclose details, and there was year-end has done nothing to dispel the Kenyan belief that Obote, aided and abetted by Dr. Nyerere, will soon be back in

> Perhaps the nadir of relations in recent months was reached when President Mol withdrew at the last minute from a summit in early June in the northern Tanzanian town of which in the event was attended by Dr. Nyerere, President Numeiri and the Military Commission.

antagonism go back to Dr. Obote's period in office when his nationalisation programme under the "Common Man's Charter" included some Kenyan companies. And it includes the recollection that Dr. Obote had ties with the Kenya People Union, led by Mr. Oginga-Odinga, who was detained in 1967 but who has been brought back into public life by President Moi.

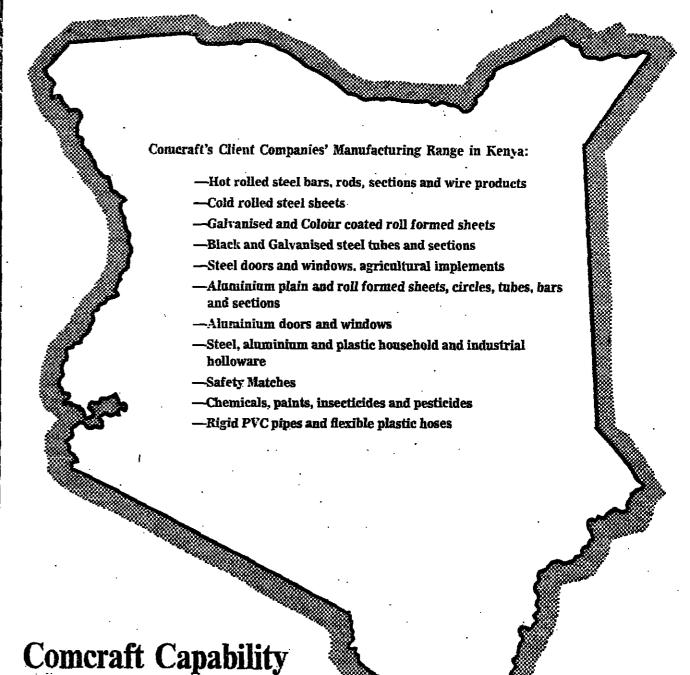
There are some senior Kenyan Government officials who believe that those links remain, despite the rehabilita-tion, and the socialist aspira-tions of Dr. Nyerere and Dr. Obote may set an example for Kenyans dissatisfied with the

Equally serious to Kenyans is the fear that under Dr. Obote, Uganda and Tanzania would gradually exclude Kenya from a market worth K£52m in 1977 (10 per cent of total exports) and which, despite the chaos, was worth K£38m (9 per cent).

Most observers discount this possibility. They argue that Mombasa will remain landlocked-Uganda's main port, and say that hopes to build a rail line to the Tanzanian port of Tanga are a pipedream. Further, maintain impoverished Uganda will, even under Dr. Obote, be forced to rely on Kenyan industry and manufacturing which is considerably more advanced and competitive than anything Tanzania can offer.

Michael Holman

COMCRAFT IN KENYA PROMOTES **PARTICIPATION IN PROGRESS**



Government not to abandon social objectives despite cash squeeze

Kenyan economy over the next centrated on the poorest 40 per three years will be 5.4 per cent, cent of the population, and it and not the 6.3 per cent forecast aims to do so through the twin tast year in the National strategy of job creation in priority areas, and the provision That is the principal conclusion of the latest Government White Paper on economic prospects and policies. The radical pects and policies. The radical In the first place, the study reassessment of the assumptions warns that forward budgeting on which the five-year plan is must be restricted to projects based, outlined in the Sessional Paper presented to Parliament in May, has serious implications recurrent Government spending.

immediate problems of persist- 3.2 per cent. ent deficits on the corrent account of the balance of payments, and the growing Central Government budget deficit, militates against any early phievement of the plan targets. Nevertheless, the Government clearly determined not to be ited into the abandonment of Se broad objectives it set itself last year. The sessional paper has drawn up a strategy aimed at simultaneously resolving the hart-term financial constraints of the economy, while preparing the ground for the necessary structural changes demanded

theme of the development plan is the alleviation of health, housing and water

which can be efficiently managed and serviced within for the ability of the Govern-ment to meet its social spending the development budget has plans. been scaled down to 2.1 per fronts to change attitudes to need to tackle the cent, against the plan's intended rural employment: educational

Priorities -

However, development priorities have been maintained: the highest rates of increased spending will be on agriculture, labour, housing, social services, local government and health tion are given the highest priority of all).

Slower economic growth will vision of basic services; but also job creation, the paper argues. on labour intensive investment is all the more necessary.

groups such as small farmers, economists believe the figure combine these policies with alternative energy sources. landless, of 5.4 per cent growth is still strict wage controls in urban Multiers and the urban poor: opimistic), but the sessional areas, and moves to ensure that

THE EXPECTED average Its intention is that develop paper quotes the latest census credit remains freely available annual growth rate of the ment schemes should be con- as proving that the rate of to farmers. the 3.5 per cent assumed in the development plan, but almost 4 per cent. Thus the problems of unemployment and under-employment are likely to prove even more acute.

The answer proposed by the paper is to concentrate more resources on the rural sector, which provides more than 80 per cent of employment, and specifically on small-scale agriculture and rural trade and manufacturing.

Action is needed on two action, and changes in the for export. To do so, agriculurban rural wage and price tural production must double relationship. "Attitudes towards over the next 20 years, it saysrural residents and agricultural although over the past eight labour must be altered, to end years, agricultural output has the paradox of unemployment grown at a mere 2.5 per cent a

One major policy intended to counteract the apparent unfair one other key area of action: falthough defence and educa- advantage of the industrial energy. It admits that little sector is the commitment gradually to remove import other than promote better controls, and replace them with utilisation of available energy inevitably hit not only the pro- tariffs, to provide greater com- sources. It is estimated that petition for Kenyan mamufac- more than 80 per cent of comtures. Another is to allow mercial energy demand is oil-That means that concentration interest rates to rise, which based. In the longer term it should also remove much of the calls for expansion of non-oil built-in advantage of capital- energy sources such as hydro-Not only is the overall growth intensive over labour-intensive power and geothermal power, rate likely to be cut (and many processes. The intention is to and intensive research into

The sessional paper argues that the manufacturing sector exchange, because of its needs for imported raw materials. intermediate inputs, foreign exchange earner, manufacturers which exporters. greatly increased efficiency.

Agriculture remains sector which must provide the bulk of new jobs, and at the same time greatly increase production to provide for the food needs of the growing population, and produce some surplus years, agricultural output has coexisting with vacancies in year, well below the popula-rural activities," the paper says. tion growth rate.

The sessional paper stresses can be done in the medium-term

Ouentin Peel

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Maize crisis breeds anger and suspicion

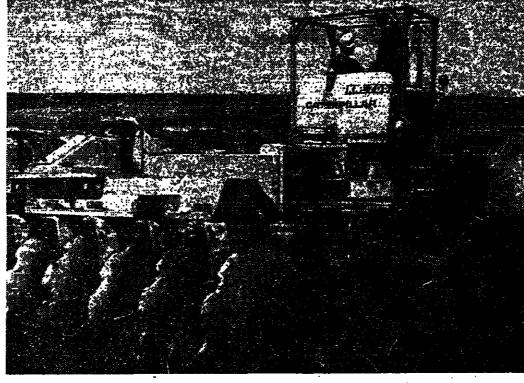
jostling in long queues for bags of maize flour, a familiar sight in recent weeks in several Kenyan towns, have come as a rude shock to the population. They have become used to relatively plentiful supplies of their basic foodstuffs, and the sort of shortages which are familiar in Kampala, Lusaka, Dar es Salaam or Maputo have been Through a combination of bad

planning, mismanagement, poor weather, and blatant profiteering, Kenya has suddenly found itself moving from the position of being close to self-sufficiency in basic foods, to one of being a large-scale importer in 1980.
The country will have to import something approaching 500,000 tonnes of maize, wheat and rice this year to meet the shortfall. In the meantime, thousands of Kenyans have found themselves having to go without maize flour for days on end, although it is by far the most important item in their diet. The shortages have caused widespread anger and resent-ment, and a suspicion that powerful men in the government may have lined their own pockets at the expense of the

ordinary consumer. The food shortages have served to focus attention once more on that area of agriculture in recent years has tended to be subjected to a certain benign neglect in favour of more lucrative and glamorous cash crops. They have also underlined how it is a con-tinual and often unequal struggle for agricultural outputs to keep up with Kenya's soaring population growth rate.

Between 1964 and 1972, the monetary sector of agriculture managed to push up production by a creditable 5.8 per cent a year, as available idle land was brought under cultivation. But since then its performance has been less impressive: between 1972 and 1978, agricultural production increased by only 2 per cent a year. At the same time. the population is growing at an estimated 3.9 per cent a year.

Figures for last year give no cause for renewed optimism. According to the annual Economic Survey, overall agricultural production actually fell in real terms by 1.2 per cent. Maize was worst hit, for reasons which will be explained below, with a drop in production from



Harrowing new cane land on the Mumias Sugar Company's estate

population.

2m tonnes in 1978 to only 1.3m ment Plan, for 1979 to 1983.

Production of coffee, Kenya's must provide the bulk of most important export, fell by 11 per cent from 84,000 to 75,000 Tea output increased, but the declining world price meant an overall drop in receipts.

Wheat output officially increased, but the major reason simply late harvesting of the 1978 crop. Sugar also showed a substantial increase of per cent but there the growth was largely at the expense of maize

Serious

A sluggish or stagnant performance in agriculture has serious implications for the economy as a whole, not only in terms of food supplies, but also for employment and consumption. More than 80 per cent of the Kenyan population directly, in agriculture. sector provides more than 50 per cent of all exports-mostly some 30 per cent to gross domestic product.

identifies it as the sector which employment for the growing

The major underlying problem to increasing output and raising the level of rural employment is that rather less than 20 per cent of the land is of high or medium agricultural potential, and population pressure is already becoming acute on it. The remaining 80 per cent is classified as arid or semi-arid, where 20 per cent of the population, and 50 per cent of the national livestock

herd, live.

The development plan thus proposes a twin strategy, of both increasing the intensity of cultivation on the better land, while seeking new ways of opening up the marginal lands both to new settlement improved

The intention is to introduce is employed, more or less multiple cropping, to increase directly, in agriculture. The the use of technology, and to the use of technology, and to provide better training Certainly there is considerable coffee and tea-and contributes room for improvement: the average yield of maize in Kenya omestic product. is about one tonne per hectare, The latest National Develop- compared with 1.95 tonnes in

Opening up the marginal lends is still a matter of great debate. Irrigation projects, such as the big settlement scheme at Bura, on the Tana River, to set up more than 5,000 farmers growing cotton, are inevitably enormously expensive. and cannot show the sort of economic returns the aid agencies like to see. Smaller schemes which rely on the farmers themselves for maintenance of dams and irrigation equipment may fail for lack of technical skills.

Human reasons

Quite apart from the basic problem of opening up adequate land, there are major technical and organisational problems which need to be resolved, as food shortages have the revealed. Although initially the failure of the maize crop was blamed on the failure of the short rains last year, it has become increasingly apparent that rather more human reasons were responsible.

The original problem was

lack of storage capacity, and inadequate maintenance of what was available. Thus a bumper maize crop in 1978 could not he bought in by the Government's Maize and Gereals.
Board, because its stores were full. Instead, the market was decontrolled U.S. and Australia. decontrolled, and farmers allowed to sell direct to the

drop in the producer price.
At the same time, the Government decided to scrap its long running agricultural credit. scheme, which provided farmers with a guaranteed minimum return, because of the high level of defaulting amongst debtors. Then in 1979, with the stores

millers, which meant a drastic .

still full, the Government decided to cut its own maize price to farmers. The result was a 16 per cent drop in sales of high yielding hybrid maize seed and a drop in fertiliser pur-

We have all taken it for. granted that come what may, the African farmer will always grow maize," Mr. Cyril Webb, director of the Maize and Cereals Board, said. "We have just proved that he will not. He treats it as a commercial crop-like any other." Indeed, large numbers of smallholders in the western provinces, a traditional breadbasket for Kenya, switched to the new sugar crop being

promoted there. But the situation became worse, for to make some room for the new crops, the Govern-ment had ordered substantialexports from the reserves. Something approaching 189,000 tonnes of maize were exported during 1979, which actually ate into the country's strategic reserve of 2m bags.

By November, when the short rains failed, it was realised the country was actually going torun short—and yet exports apparently continued, without authorisation from the Cabinet ommittee responsible.

Nobody knows quite who sold me maize, or where it went, but the shortages in neighbouring countries, like Uganda, suggest that there were large profits to... be made from smuggling it out of the country...

The result is that Kenya has had to buy some 300,000 tonnes.

markets, most of it from that politically embarrassing aparec. South Africa Other smidtles have come as food and from the

food policy is now being drawn up, which will consider a winde range of key issues hitherto taken for granted. They harded the vital questions of pricing and marketing (Freedock and dairy famning, as well as make have been hadly affected by illconsidered official pricing policies), the supply of agricu-tural credit, provision of imputs like seed and fortilises, improvement of extension services, and provision of more and better

Lost reserve

storage facilities.

Indeed the poor maintenance storage facilities may have en a factor in the apparent disappearance of the maize reserve. For example, at Nakuru only four of the 30 silos which form storage for the country's strategic reserve, are properly water and air-right. At Kitali, the other centre for the strategic reserve. 10 out of 36 siles are out of commis-

Another major issue which needs to be resolved is how to increase wheat production while attempting to promote smallholder agriculture. It is now recognised that large estates are really the only units capable of efficient wheat production, and yet the Government is committed to breaking them up.

 Cash crops, such as coffee and tea, as well as industrial crops like sugar, cotton and pyreth-rum, will continue to be stressed as major earners, or sources of impor-substitution. But the food shortages mean that providing the country's basic needs will once again be given top priority What is also vital for Kenya's development is that agriculture should be able not just to be self sufficient, but to provide

adequate employment growing population. ultimately the more



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Population rise among the highest in the world

KENYA'S PLANNERS are in of family planning in Kenya a dilemma. Although long unbegan in 1968, In 1974 a fiveofficially forecast, preliminary data from the 1979 census shows that Kenya's population increase is a stunning 3.92 per cent a year-probably the biggest in the world-rather than the 3.5 per cent on which the 1979-83 Development plan had been

Only a rapid decline of the fertility rate-revealed in a recent survey as having risen from 6.8 children per woman in 1962 to 8.1 in 1977-will allow the Government to meet its Development Plan commitment to the provision of basic needs in health, education and other

Yet, as population researchers generally agree, the satisfaction of those very needs is as an important an instrument for lowering fertility as a family planning programme.

But the clear message Sessional Paper No. 4 Sessional Paper No. 4 on Kenya's economic prospects and policies, published last May, is that resources are going to be thinly stretched in the hard years that lie ahead, "The brutal facts are that until our economic circumstances improve, full pursuit of social welfare objectives must be deferred," the Paper warns.

The implications are pro-foundly disturbing, though few Kenyan politicians are prepared to speak out on what has always been a delicate subject. Kenya's 15.8m population will double in 18 years, placing social services under intolerable strain, increasing the already intense pressure on land, and leading to rising uremployment.

Better health

Such a rate of increase is in part a tribute to Kenya's post-independence policies. The infant mortality rate has fallen from 119 per 1,000 births in 1969 to between 90 and 100 in 1977, while expectation of life at birth for men and women has risen from 46.9 years and 51.2 years in 1969 to 51.2 years and 55.7 years respectively in 1977. Both are the result of an improvement in health and other "The combination of the

current high level of fertility with rapidly declining mortality is virtually unprecedented in demographic history," notes Kenya's Central Bureau of Statistics.

But meanwhile population control measures have failed dismally. The official promotion year family planning programme, with support from the World Bank and other doners, had the ambitious target of reducing the then estimated growth rate of 3.3 per cent to 3 per cent during the 1974-78

programme period As it turned out, only 280,000 new family planning acceptors were recruited, less than half the target number; and about per cent of new acceptors drop out of the programme, often within the first year.

Low status

The reasons for failure are complex. Women have a low status in Kenyan society and are under strong social pressure to marry early and have children. The generally lower educational achievements of women also affects marrying age, which is usually soon after the start of puberty. Children are looked upon as a potential source of labour and providers of security

in their parents' old age. There are also complaints that the main brand of contraceptive pill used in the programme has adverse side-affects which understandably deters many would-be participants.

But underlying these and other factors is the continuing reluctance of politicians to advocate vigorously a population control programme. This reluctance is best seen in the 1979-83 Development Plan itself, which was using the already suspect 3.5 per cent figure. It devotes a mere handful of pages to the subject, while the 1980 Sessional Paper does little more than acknowledge that the population increase is higher than had been previously estimateđ.

The four areas in which the implications are most disturbing are education, land, employment, and food.

Education: There will be almost 4m children of primary school age by 1983—30 per cent up on 1978. The Development Plan aims to achieve universal seven-year primary education, which accounts for two-thirds of total recurrent expenditure on education. Educationalists are already worried about signs of deterioration in the system, such as overcrowding in classrooms. If the ratio of 40 children per classroom is to be maintained, Kenya needs 5,500 new classrooms for primary education alone by 1983. • Land: Only 17.4 per cent of

Kenya's land is suitable for sustained agricultural cultivation and irrigation of marginal and semi-arid land is costly. As a result there is steady fragmentation of land holdings. More than half the holdings among the small farm population (who make up nearly three-quarters of the total population) are under a hectare in size. Population density on arable land has risen from 103 per square kilometre in 1969 to 147 in 1979, and is likely to reach 180 by 1984.

• Food: The 1980 Economic Survey points out that in the 1970s food production has risen by only half the rate of population growth. Meanwhile, agriculture is moving into a dif-ficult period, partly because easy options are exhausted such as turning grazing land into arable land, and because there are no research breakthroughs in sight comparable to bybrid or short-maturing maize.

Employment: The working age population will reach 8.7m in 1983, and in order to employ per cent of this additional labour force an average of 260,000 jobs must be created each year. Yet employment in the wage sector rose from 902.9th in 1977 to 911.5th in 1978—only 1 per cent. Despite creation of jobs in the infor-mal sector (such as vegetable hawking, shoe repairing etc.) employment creation is falling

Warning

As the Central Bureau of Statistics notes: "There were some 50,000 new Form IV school leavers alone in 1978 and countless other secondary school drop-outs and former leavers competing for 18,600 new wage jobs in the formal and informal By 1989, the Bureau warns.

the proportion of the population under 15 will rise from 50 per cent to 52.6 per cent; there will be 18m more children to care for under the age of 5; there will be some 2.6m more children of primary/secondary school age needing school places; the labour force will have to absorb 3.2m more people of working age; and there will be 8m more people to feed.

These figures are staggering in 'their magnitude," says the Bureau, pointing out that they are based primarily on the numbers of people already born. Many face a bleak future.

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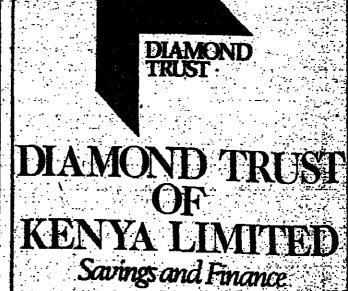
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هكذامن الأحمل

Tourism shows sign of stagnation

mated, by the World Tourist Organisation, to be growing by about 4 per cent per annum. Kenyans in the tour business

Kenyans in the tour business pancies in Nairobi to be in-feel strongly they should get a creased by 15 per cent, on the bigger slice of that cake. Kenys coast by 65 per cent, and in has not done badly so far. Any. game lodges by 86 per cent (all one who goes there can see by 1983) is "unrealistic." Some what a big business tourism has of them regard any additional become. It has grown from capacity as an economic information of the causes of the cau K£60m last year.

The problem is how to move more effectively into one of the world's most lucrative busipesses. Kenyans know they have a lot to offer. They have sunny, unpolluted Indian Ocean

of poachers Kenya has a unique variety of wild life in its own habitat, and comfortable lodges in which to relax at the end of

the day's safari. Yet there are signs of stagnation in Kenyan tourism that are causing much concern. Growth has not by any means stopped, but it is falling off.

The country earned a record K£60m in foreign exchange in was no more than the 1978 Americans back, a series of figure, although there were cross-border raids by Maricans back, a series of 400,000 tourists and burners.

It is nothing like the growth shock rate predicted in the current trade. development plan, which aimed for earnings of K£ 124.9m by 1983. That plan is being adfusted down in many economic incidents, they received wide areas, and it will certainly have publicity.

Tour operators say that judg-ing from the present situation Kilimanjaro and Uganda's Mur-Tour operators say that judgthe tourism plan, with bed occuby 1983) is "unrealistic." Some

decline in tourism are beyond Kenya's control. Others are described by tour operators as "self-inflicted wounds."

Outside Kenya's control are the effects of inflation and recession on the country's tradibeaches stretching for hundreds of miles where people can really be "alone" if they wish. They have many hotels with good food and service right at the water's edge, and swimming are damaging the potential of long-flight holidays, It is a long way to Kenya.

Kenva is still remarkably

stable politically, but events beyond its borders, or launched beyond its borders, tend to discourage visitors, North Americans.

Unpredictable •

Africa is an unpredictable continent. The regime of Idi Amin in Uganda kept Americans away for years. Then, just game park, Masai Mara, sent shock waves through the tourist

were hijacked and robbed market Kenya can compete or Although they were isolated could compete if she had a

LAST YEAR some 263 million indifferent year for tourism," has had to be promoted as a tourists travelled to various says the Government's 1980 "one destination" tourist area. some K£700,000 a year on prolocal promotion. Government glamorous destinations round economic survey of 1979. Can there was a time when the motion, but it may not be would be represented by the material by the World Tourism and tractions of Tanzania and the material by the World Tourism as chair-

chison Falls, for instance, were combined in tour circuits with Kenya's, including its beaches. All that ended with the collapse of the East African

Community. Tour operators believe that the link with Tanzania may never be forged again, but post-Amin Uganda, if it can re-establish its tourist attractions, may join us again. There are now moves to link up with the Seychelles and possibly Mauritius in an Indian Ocean circuit. There could even be an air safaris arrangement with Sudan.

But basically Kenya is on her own and must rely on her growing reputation as a country for out-of-this-world holidays. The product is good, but it has growing problems.
Internal costs of tourism are

rising, largely because of economic stringencies such as economic stringencies such as but events heavy balance of payments deficits caused largely by the rises in oil prices, hotel accommodation, taxes and petrol prices. Tour vehicles are prohibitively expensive. So are spare parts. Insurance pre-miums, road taxes and vehicle licences have gone up.

> All this makes Kenva less competitive than it used to be. Competition is becoming fierce, with long-flight tourism aggressively promoted in the Carib-bean, Sri Lanka, Thailand, Mexico, Brazil and other distant

places. Highly professional marketing programmes are bringing those countries into competition A few American tourists for shares in the long-flight tougher marketing strategy, but

tourist offices. These, the trade says, are manned by helpful but not very professional staff of Renya's promotion budget, it is pointed out, 83 per cent is spent on administration and overheads.

Concessions

opportunities being missed? Figures quoted by tour operators in Nairobi indicate that there are new opportunities to affract more Europeans. Spain has suffered a 40 per cent. fall in its tourism business due. to heavy increases in prices. The price gap between long-flight and short-flight tourism is closing. Proposals are being made to the Government for tax concessions to the industry, especially in road and vehicle

taxes. Many countries are realising that tourism is a powerful force that can galvanise the economy. In Kenya, as in other Third World countries, it has perhaps not been regarded as a vital economic factor, but as a kind of picturesque spin-off from the real business of agriculture and industry. One commentator says: "Tourism is the third dimension that Kenya needs to

balance its economic structure.' Perhaps Kenya does not realise how lucky she is to have not only the ingredients of a great tourist industry-vast beaches, abundant wild life, etc -but dedicated men who have built up a remarkable infrastructure over the years. There from abroad and local sources.

publicity. many in the tour business there is now an urgent need for For some years now Kenya believe she is falling behind. a "Tourism Marketing Board" there is now an urgent need for

Private enterprise is left to Ministry of Tourism, as chair-do it all, with limited resources, man, aided by, among others Ministry of Tourism, as chairplus the Government's overseas representatives of Kenya Airways, foreign airlines, the tour operators, the Kenya Tourist Development Corporation, the hotels and caterers, and the Kenyatta Conference Centre in Nairobi. Conference tourism is not sufficiently promoted, many

> A chief executive, who would be a top-rank professional, would provide the motivation. Proposals have been sent to the Government as a matter of

Now for the less gloomy picture. In many areas of Kenya tourism is developing. Package tourism is fairly constant at about 30 per cent of the arrivals, with the West Germans still the most faithful among the many nationalities catered for (mainly at the beaches). Scandinavians and Americans have fallen away rather alarmingly. More Britons are coming, and there is a growing number of Japanese.

A promising attempt is being made to attract tourists from the Middle East, not only among the expatriates but among the Arabs. Next month Kenya is to be host to two groups of 140 travel agents from the Middle East, Agreements made with Thai Airlines, Singapore Airlines, and possibly soon with Japanese Airlines to fly into Nairobi Airport should bring a wave of new tourists.

An interesting new development, with great potential, is the hundreds of inquiries mainly for beach holidays, from both Europeans and Africans in Zimbabwe. Tour operators from Kenya are now in Salisbury seeking business, the commercial attache at the Kenvan Mission is busy, and a tourism office may soon be opened. Zimbabweans used to go to Beira, Mozambique, for their annual dip in the sea. That is no longer possible. Going to South Africa also has its problems.

A top official at the Kenya Ministry of Tourism, Mr. Joe Gitau, says: "We are one of the few growth industries, but competition is intensifying all the time. Our high-season botel capacity at the coast has almost been reached, and we are now promoting low-season tourism with some success. In fact the seasons are merging into one

John Worrall

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people of Kenya for their health and life itself.

SALT

Industry seeks to widen range of activities to make use of skills

ing tourism, manufacturing in- Nairobi, and is exporting sub- using local raw materials, re- a shot in the arm for the gloomy dustry has been a major factor stantial quantities around the sources which are only just balance of payments position. dustry has been a major factor stantial quantities around the sources which are only just in Kenya's economy since continent. It has three large being tapped.

Nairobi was a railway yard on commercial vehicle assembly Manufacturers have been told the line to Uganda. Manufacturer plants, well on stream, which in no uncertain terms that they ing, indeed, got star billing in have attracted many ancillary must turn their industries into the recent Government White industries making batteries, seat net contributors of foreign expaper on economic prospects. and policies for its "major con, Huings, paints and other compo-policy has an element of risk tribution to the national econ-nents. Most detergents and to many manufacturers, who

Kenya's factory life is nothing So are many pharmaceuticals supplying the easy-to-please if not lively, and you only have to drive through the Nairobi and Mombasa industrial areas to oils; also machinery, electrical in the international market see it all happening in clean, machinery, transport equipmodern, busy factories. Earlier ment, plastic products, pottery this year there was a large and glass products. hiccup caused by power cuts attributed to hydro-electric dams emptied by drought, and activity was slowed down. Fingers are crossed.

Kenyan industry covers an ever-widening range of activi- facturing has had an average ties as the search goes on for annual growth rate of 9.5 per new ways of using local raw materials, and the skills, Kenyan and expatriate, available. Product. Output has increased Renya is one of the few countries positively responding to. the United Nations Economic playment has risen two and Commission for Africa's guid- a-half times. Appropriately, this

The Kenyans, for instance, are active in agro-industry such as fruit and vegetable canning, producing chemicals from corncobs, textiles, sugar processing, leather making, sisal twines, paper-making, milk processing, furniture, distilling, animal feeds, confectionery, and now ethanol from molasses.

per cent of Kenya's import expenditure. This year, however, manufacturing growth is only expected to be about 7 per cent, due to the general downturn in trade.

As the Financial Times forecast in the Kenya Survey last year, the policy of import substitution is now coming to an ethanol from molasses.

cement, with two large fac- coming down heavily on the

Last year there were 15,421

manufacturing enterprises, a rise of 1.154 since 1976, indicating expansion in most types of production.

Since independence, manucent compared with 6 per cent for the total Gross Domestic three and a-half times since independence, and factory emance processing indigenous raw materials rather than relying able success on import substitution. Imported consumer the industrialised West. he industrialised West. goods now account for only 15. The Kenyans, for instance, per cent of Kenya's import ex-

stitution is now coming to an Kenya is self-sufficient in end, and the Government is

soaps are manufactured locally. may have had it too easy just place, a strange and rather forbidding place for many

New order

They are being told by the Government that they must change their industrial promo-tion techniques to suit the new order of things. No longer can they rely on the protection of high tariffs and quantitative restrictions on imports to hedge them against foreign competition. They are being told that local industries have been developed at some sacrifice by the Kenyan consumer, who has ben paying higher prices for the protection of local manufac-

The result has been that many local manufacturers have become slack and their goods over-priced, making them uncompetitive in foreign markets.

The Government has now decided that all existing quantitative restrictions and restrictive import licensing are to be replaced by tariffs. It is to be done systematically, starting logically with the emphasis on luxury consumer imports. The Government is also to take action against dumping by

foreign exporters, and an independent commission is being set up to investigate complaints and take appropriate action. There have recently been many glaring cases of dumping, especially in textiles and clothing. There have been reports of whole shiploads of cheap and second-hand clothes finding their way into country stores and markets, to the concern of local manufacturers and traders, Manufacturers now have a blue print for their future as exporters. It includes an export credit and guarantee scheme to cover manufacturer's risks, such as non-payment from abroad. Local commercial banks are to be guaranteed against non-repayment of credit by local ex-The existing export compensation scheme is to be simplified, with the responsibility for payment vested in the Central Bank operating through the commercial banks. The scheme is being reviewed to ensure that it is adjusted against

the exchange rate.

The new deal starts immediately. No new "no objection," certificates, or other quantitative protective import restrictions, are to be issued either by investment agreement administrative action.

The hope is that the new policies will stimulate industrial growth, but no dramatic but needs capital investment," increase in exports is expected he says. The Government trial growth, but no dramatic immediately, largely because of Kenya's lack of experience in marketing. It may be too optimistic to expect an increase in exports of 10-15 per cent a year in real terms, but if this

AFTER agriculture, and exclud- tories in Mombasa and outside side of export manufacture could be achieved it would be

All areas could benefit-agricultural processing and other industries using local raw materials. It is especially hoped that it would provide an opportunity for small local firms to start exporting. The Government is urging

foreign investors to participate with local investors direct, without insisting on Governinvestment organisations as the Industrial and Commercial Development Corporation, the Development Finance Company of Kenya, and the Industrial Development Bank, among others. These have been busy lately with huge developments like the two power alcohol complexes and a big glass container project. Foreign com-panies are to be urged to attract more local employees allocating shares.

The Kenya National Chamber of Commerce and Industry has commented with concern on the "nullifying effect of increased duties on raw materials, as well as the non-refundable sales tax which will now be collected at various points throughout the

It wants important amend-Kibaki's 1980 Finance Bill, just published, and suggests that the Government seek ways and means to exempt export-orientated industries from paying duties on raw materials and remove sales tax from raw materials used to manufacture export goods.

The Chamber is also asking for amendments to the sales tax regulations to exempt raw materials for industry from any sales tax and wants sales tax to be charged only once when the finished product is sold to the customer.

Protection

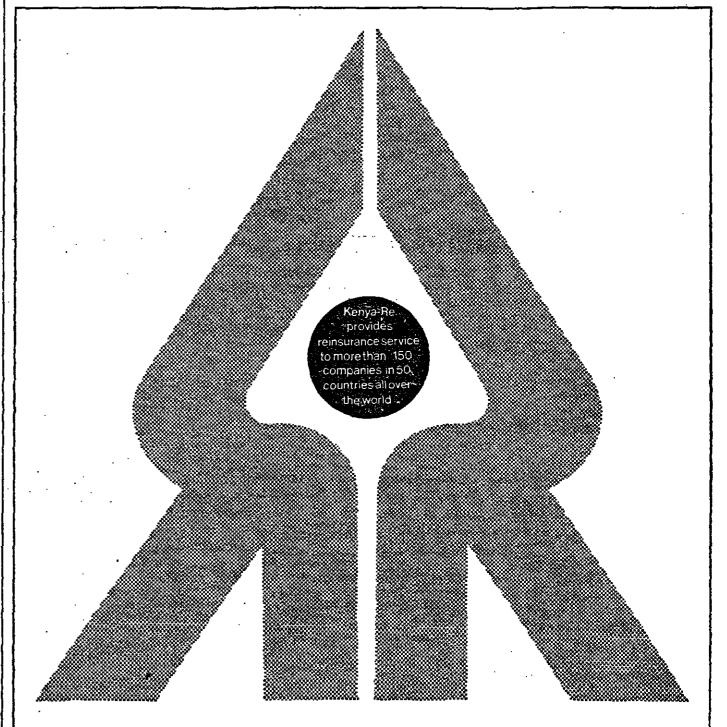
Industry is also uneasy about the abolition of quantitative controls to protect local manufacture. It is asking that a new export-oriented industry should be protected for a speci fied period, as should small industries on the Kenya industrial and local firms threatened by import dumping.

"Local industry must have time to adjust itself to the new says Mr. F. N. Macharia, chairman of the National Chamber of Com-merce. "We, like the nation, are trying desperately to balance our books, and we cannot while OPEC keeps thump-

The Kenya Association of Manufacturers agrees with the Government that Kenya has exhausted import substitution. "Now we have to use our own resources," says Mr. T. W. Tyrrell, its director, who advocates the selling up of a much bigger export processing industry for fruit and vegetables.

"This has immense potential should use more of the private sector's experience. "After all, it is an essential part of the economic mix," he adds.

John Worrall



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BY SAMUEL BRITTAN

LET US suppose that you were ment about the 14 per cent awarded a pay increase of £1,000 coming in the Central Vote and in 1979, that £500 was paid not in the individual departstraight away and £500 was mental estimates is a red herdelayed until 1980. Then 1980 ring. The increase could not be comes along and you are allocated because the detailed awarded another £1,000. An settlement had still to be accountant looking at your em- decided. ployer's pay bill would say that year's increase,

This in a nutshell is the argument on Civil Service Pay between the Treasury and the years. Commons Treasury Committee. in 1980-81 in Civil Service pay. On this basis the MPs' own increase will amount to 26 per metic and for the wages of the Covernment as an employer. There is no way of reconciling this globa! arithmetic with the increase that the individual Civil Servant thinks he has received.

From an economic policy point of view the Committee is If a private employer national markets because of a 25 per cent increase in his payhill, his customers will not be interested in how much of this 25 per cent is "new money." that Ministers who are worried about setting a bad example in the public sector can say is that they are paying for past Cleza-type commitments increases to which they rightly tof which Civil Service Pay object is the unavoidable con-Research is an example) and that future policy will be

Even here they will have to be careful. The "new money" average increase in Civil Service pay in 1980-81 was 18.75 per cent per annum. It was held to the so-called "cash limit" a month into the financial year a valid point in saving that pay awards have not been offset by manpower savings, if these irrespective of the size of the in the public sector. Analysing pay increases.

On the other hand, the argu- useful job for the Committee.

There is a moral for next he was paying you £1.500 more year. Let us suppose that the this year than last. You on the Civil Service settlement is well contrary would be conscious into single figures - say 8 per (a) that you were awarded only cent. Then the increase is still £1,000 and (b) that you had going to look like 10 per cent also to suffer deferment of last on a year-over-year pay bill comparison, unless there is a further deferment storing up still more trouble for future

The trouble arises because The famous figure of nearly 25 cash limits were invented per cent represents the increase against a background of incomes policy as a monitoring device. Now that they have become the main method of setting expendicent. There are the figures that ture targets, and a substitute matter for the Budget arith- for pay policy in the public sector, they will have to be pre-sented differently. In particular the percentage increases in total and in each category must be redefined to mean what the layman always thought they did mean: that is the increases in total payments over the previous year. Moreover, the decision on the cash limit figures before the beginning of the prices his goods out of inter- financial year is now at least as important as their monitoring throughout the year.

But there is an even more important moral. Treasury Committee Members, it has been said, with only slight exaggeration, are "anti-monetarist to a THOSE WHO felt that Ela- challenge, man." If so they should remem- Mana-Mou would be hard which saw At the beginning the public services are made to set an exof the economy.

Eventually there is an explosion with headline-catching increases. Attempts to disguise these increases do not wash. figure of 14 per cent by delay- while the recipients are coning the award until May 7 - scious of the number of years for which they have been held and by a squeeze on man-back. So everybody is unhappy; power. The Committee makes and "cost-push" is made worse, badly 100 yards from home. But the incomes policy mentality will not be defeated until the market evaluation of skills factor for a furlong-and-a-half savings were planned anyway, edges out so-called comparability out.

- V Radio

BBC 1 Indicates progamme in

6.40-7.55 am Open University BBC Cymru/Wales—1.30-1.45 (Ultra high frequency only). pm Tredwt. 7.45 Wales Today 9.50 Noah and Neily. 9.55 Bulletin. 7.50-8.10 Heddiw. Jackanory, 10.10 Jigsaw. 10.35 11.35 News and Weather for Why Don't You? 11.25 Cricket— Wales. Why Don't You? 11.25 Cricket
Fourth Test: England v West
Indies. 1.30 pm Heads and Tails. Scotland—1.25-1.30 pm
Indies. 1.30 pm Heads and Tails. Scotland.

2.00 Your Songs of Weather for Scotland.

Ireland—11.35 pm 1.45 News. 2.00 Your Songs of Praise Choice. 2.35 "Man's Favourite Sport," starring Rock Hudson. 4.30 Olympic Grand- Ireland.

5.50 Olympic Grandstand (con-

7.45 Ask The Family.

"Ransom," starring Sean Connery. 10.55 The Editors. 11.35 Weather/Regional News.

Monday Film:

All Regions as BBC-1 except as

follows: BBC Cymru/Wales—1.30-1.45

News and Weather for Northern

BBC 2

6.40-7.55 am Open University. 11.00 Play School.
2.05 pm Cricket—Fourth Test:
England v West Indies.
4.15 Play School (as 11.00

4.40 Flea Circus. F.T. CROSSWORD PUZZLE No. 4,333

ACROSS

1 Dirty old fogy to be seen between six and seven (5, 6). 7 and 28 Untrue story of a foot? (6)

9 Type of beam the Spanish hesitate to follow (5) 10 Dry character making speedy correspondence (3, 6)

11 Media's highest register (5, 12 Type of nut initially culti-

vated in space (5) 13 One more of the same kind or a different one (7)

15 Born and died in want (4) 18 Put back vessels for food

20 Discharging vehicle right inside game (3-4) 23 Return regal drink (5)

24 Like the naturist without engagements? (7,.2) 26 Performance that could be

27 Conciliate a French member

3 Turned up all right and scurried for a good book

4 Lodge an American coin (7) 5 A wine tipped up in deadly poison (7)

6 Observe and arrange what females have to face (3, 4-2) 7 Hostile leader in more recent state of agitation (6) 8 Teutonic bacillus on article

14 Serve worker with a slice of bread (4, 5) 16 Spoil solemn German noble-

man (8) 17 Check the growth of male performer of dangerous acts

19 Birds on French island building a hanging nest (7) 20 Colossal bird I can upset (7)

21 Assert that everybody for example should receive a

example should receive a point (6)

28 See 7 Across

29 Heart-felt anxiety for main business (4, 7)

20 DOWN

1 Tart in bonnet and perticoat? (8)

20 Transferrer of interest like gentleman in Italy (8)

21 Example should receive a point (6)

22 Assented to article on Amoning Concart (\$1, 9.00 News. 9.05 Moming Concart (\$1, 9.00 News. 9.05 This week's composer. Boccherini (\$1, 9.00 News. 9.05 This week's composer. Boccherini (\$2, 9.00 News. 9.05 This week's composer. Boccherini (\$2, 9.00 News. 9.05 This week's composer. Boccherini (\$3, 9.00 News. 9.05 This week's composer. Boccherin

Joy for songwriters, sorrow for buyers

sorrow for purchasers — or at least purchasers under conditional sale agreements.

Sorrow came in the High Court in Wadham Stringer Finance Ltd. v. Meaney. Mr. Justice Woolf upheld the validity of accelerated payment clauses in conditional sale agreements.

The agreement in that case was to buy a Triumph car. The total purchase price of £2,145.63 was payable by a deposit of £307.35, one instalment of £53.98 and 35 consecutive monthly instalments of £50.98. The purchaser, Mrs. Meaney, paid the deposit but made no further payments.

Balance

The finance company, Wadham Stringer Finance, sued her for £1,386 under an accelerated payments clause in the conditional sale agreement.

The effect of such a clause is to make the full outstanding balance of the purchase price due in an instalment contract upon default in payment of any one instalment.

It was argued for Mrs. Meaney that the clause was void. The first argument was that it broke the provisions of the Hire Purchase Act. 1965, to which the agreement was admittedly sub-

Section 27 of the Act provides that a buyer under a conditional

ment, is entitled to terminate lose because of the early ter- business transaction. the agreement by notice in writing " at any time before the

final payment . . . falls due." Section 29 (2)(b) invalidates any provision in any agreement whereby the statutory right to terminate was excluded or

restricted. Mr. Justice Woolf rejected this agrument.

The statutory right arose on a date or during a period before and only before—final payment fell due. It could not be exercised after final payment became due. As a result of the accelerated payment clause coming into effect, the date when final payment fell due had already passed before any attempt was made to exercise the statutory right.

The obligations under the accelerated payment clause replaced the obligations under any other clause of the agreement permitting payment by instalments. One of the effects of the accelerated payment clause was to accelerate the date of final payment. The accelerated payment clause was in no way inconsistent with the buyer's statutory right to terminate the

The second argument for Mrs. Meaney was that the clause was void because it imposed penalty on buyers.

Mr. Justice Woolf also rejected this. Although in some cases the clause could bear heavily on a buyer, it could still balance between the legitimate tatives of their dead authors immune from the statutory 30,000 and 40,000 songs.

mination of the agreement.

legislature to ban all payment acceleration clauses.

Joy for songwriters - or Moreover, since section 30 of rather their descendants or the Hire Purchase Act 1965 con- dependants - came from the tained a specific restriction on House of Lords in two appeals. accelerated payment clauses in One was Reducood Music Ltd. v. the event of a buyer or hirer's Francis Day And Hunter. The death, it could not be said that other was Chappell And Comit was the intention of the puny v. Redwood Music Ltd. legislature to ban all payment. The appeals raised three

separate points, of which the

BY JUSTINIAN

THE WEEK IN THE COURTS

No doubt, the Court of Appeal most difficult - and most imwill in due course give its rulings on these clauses. Meanwhile, those concerned

with law reform may think that this is a topic worthy of special consideration. consideration. Schubert; Mörike and Wolf:
Perhaps, the courts should be
given a discretion to enforce or
with which the Law Lords were not to enforce a payment acceleration clause and to take

into account such factors in the right Act of 1911 was in force exercise of this discretion as and before the Copyright Act exercise of this discretion as hardship to the buyer. This would avoid undue hardship to individual buyers in special deserving cases.

There are freedoms more. The main issue was whether precious than freedom to drive any copyright in the words or a hard bargain. The basic problem is how to strike a proper

stoutly bred Kittyhawk.

portant - was labelled the Collective Work point.

In many songs, the words are written by one person, and the music by another: Goethe and concerned were songs written and composed while the Copyof 1956 came into effect, and included such songs as Barney Google and Two Cigarettes In The Dark.

music of these songs reverted to the legal personal represen-

Under the 1911 Act there was no copyright in a song as such, but the author of the words was the first owner of the copyright in the words and the composer of the music was the first owner. of the copyright in the music.

The Act limited the power author's or composer's death. song must have its own son The author's or composer's right in addition to and en sionary interest in the copy- constituent parts. right. Under a proviso to section 5(2) of the 1911 Act any agreement to dispose of the reversionary interest "shall be null and void."

dence" of authors and composers "by placing a statutory prohibition on assignment" by them "extending beyond the first 25 years following" their death.'

that songs such as Barney their own copyright distinct from Google, where words and music any copyright in their words or were respectively written and music. The result jubilation for composed by different persons, the descendants of dependants were collective work and of 177 songwriters over between

Lords in the appeals week that these songs were not collective work within the meaning and for the purposes of the Copyright Act 1911

Lord Dilhorne, in a minu view, said in his speech the song whose words were written of the author or composer to by one person and whose in assign or transfer the copyright was composed by another was No rights in the copyright could a collective work. He said to be assigned or transferred for justification for the view that so any period beyond the expira- he a collective work within the tion of 25 years from the definition of the 1911 Am the estate was entitled to a rever- from the copyrights in its

Exception

But the majority of the Law The purpose of this proviso Lords ruled that a collective was to restrain "the improviment" for the purposes of the 1911 Act meant a "totality in which copyright exists in addition to and apart from and copyright which may exist in its constituent parts." The exception to the provise was confine to the copyright in the collective

any copyright in their words or

Ela-Mana-Mou is too powerful

ber that the "staging" of pay pressed to stay the gruelling mile-and-a-half of Ascot's King George VI and Queen Elizabeth sequence of Incomes Policies. Diamond Stakes on Saturday. were proved entirely wrong.

As the West Ilsley colt mainample, not followed by the rest tained a powerful gallop right to the line, his closest pursuer Mrs. Penny was weakening

RACING

Her inability to quite get the trip was probably the decisive

DOMINIC WIGAN

There was no mistaking how to do this would be a really Piggott's confidence as he useful job for the Committee. crouched ready to deliver his

4.45 John Craven's round. 4.55 Go With Noakes. 5.25 Fred Basset. 5.30 Cricket—Fourth Test. 5.50 Nationwide (London and

South East only). (continued) Winchester 73." starring

James Stewart. including sub-titles. 9.00 Rhoda.

10.10 Cricket - Fourth Test highlights. 10.45 Newsnight. 11.35 Open University.

BBC-2 Wales only-5.50-6.15 pm Wales Today.
Scotland only—5.50-6.15 pm
Reporting Scotland.
BBC-2 Northern Ireland only -5.50-6.15 pm Scene Around Six.

BBC-2 England only-5.50-6.15 pm Look East (Norwich); Look North (Leeds, Newcastle): Look Northwest (Manchester): Mid-lands Today (Birmingham); Points West (Bristol): South Today (Southampton); Spotlight South West (Plymouth).

LONDON

9.30 am Check It Out. 10.00 Wild, Wild World of Animals.
10.25 Mystery Island. 10.40 The
World We Live In. 11.05 Little
House on the Prairie. 11.55 The
Animates. 12.00 Just So Stories. Animates. 12.00 Just So Stories. 12.10 pm Rainhow. 12.30 Doctor! 1.00 News. plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Against The Wind. †2.30 Monday Matinee: "They Met in the Dark," starring James Mason, Joyce Howard and Tom Walls. 4.15 Clapperboard. 5.00 Olympics 'SO.

Olympics '80. 5.50 News. 6.00 Olympics '80. 7.00 Thames News.

7.30 Coronation Street. 8.00 Grundy. 8.30 World in Action. 9.00 The Sandbaggers. News. 10.30 "Hammerhead," starring

Vince Edwards, Judy Geeson, Peter Vaughan and Diana Dors. 12.20 am Close: Personal choice with Michael Burrell. All IBA Regions as London except at the following times:-

ANGLIA 10.00 am Racket Robin Hood. 10.25 Friends Of My Friends. 10.50 Red

(S) Stereophonic broadcast ‡ Medium wave

5.00 pm As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Paul

Read. 5,00 Sinon Newsbest. 12.45 Barnett. 12.30 pm Newsbest. 12.45 Peter Powell. 2.00 Andy Peebles. 4.31 Richard Skinner. 7.00 Stayin' Alive. 8.00 Mark Hurrell. 9.50 Newsbest. 10.00 John Peel (5). 12.00-5.00 am As Padia 2

5.00 am News Supmary. 5.03 Steve Jones (S). 7.32 Terry Wogan (S). 10.08 Jimmy Young (S). 12.02 pm David Hamilton (S). 3.03 Olympics 80 with John Dunn. 7.02 Much More Music (S). 8.02 Folk on 2 (S). 8.02 Humphry Lyttalkin with the Best of

Humphrey Lyttalton with the Best of Jazz on records (S). 9.55 Sports Desk. 10.02 Pop Score. 10.30 Star Sound. 11.02 Olympic Sports Desk. 11.15 Peter Clayton with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 1

Radio 2.

RADIO 2

RADIO 3

which saw him glancing back to see how the remainder were faring, could hardly have been shorter lived. In a matter of strides Mrs. Penny was off the bit and finding a little.

Although the Kingsclare filly got to within a neck of Ela-Mana-Mou inside the final furlong the effort had taken its toll and, with her stamina giving way, she was beaten by three-quarters of a length.

Forty-five minutes before Tryanavos failed to recapture anything like the sparkle shown at the Curragh, his flying halfsister Tolmi further underlined her entitlement to market position for the 1.000 Guineas with a win in the Princess Margaret Stakes. Despite being slowest away of all Stilvi's bay daughter she made up the lost

ground with consummate ease Gauntlet. 11.20 World Worth Keeping News. 2.00 About Britain. 2.30 Monday Film Matinee: "Sunstruck" starbay rim Mainee: Sunstruck Star-ring Harry Secombe and Maggie Fit-gibbon. 7,00 About Anglia. 10.30 Power Complex 11.00 Monday Late Film: "Taste of Excitement" starring Eva Renai and Pater Vaughan.

12.45 am Reflection. 10.20 am Sasame Street. 11.20 The Paper Leds. 11.45 Larry the Lamb in Toytown. 1.20 pm ATV Newsdesk. 2.00 Peter Sellers: 1925-1980 2.30 The Best of Sellers: "I'm All Right Jack" starring Peter Sellers and Ian Carmichael 7.00 ATV Today, 10.30 ATV Newsdesl. 10.35 Feature Film: "Blind Terror" starring Mia Farrow. 12.20 am Something Different.

BORDER

10.00 am About Turn. 10.25 How the West Was Won. 1.20 pm Border News. 2.00 About Britain. 2.30 Monday Matines: "The Promise" sterring Ian McKellen. 7.00 Lookaround Monday. 7.15 Photography. 10.30 Monday Film: "Innocent Bystanders" starting Stanley Baker. 12.30 am Border News Summer.

CHANNEL 1.20 pm Channel Lunchtime News.
What's On Where and weather. 2.00
About Britain. 12.30 The Monday
Matines: "Broken Journey" 7.00
Channel Report. 10.28 Channel Late
News 10.36 Our School. 11 65 TV
Movie Science Fiction Trilogy.
12.25 am News and weather in French.

GRAMPIAN 9.25 am First Thing. 10.00 About Turn. 10.25 How the West Was Won. 1.20 pm North News. 2.00 About Britain. 2.30 The Monday Special. 2.30 Survival 4.00 Cartoon Time. 7.00 North News. 7.10 Bailey's Bird. 10.30 The Clearances. 11.30 Celebrity Concerts (Englebort Humperdinck). 12.25 am North Headlines. 12.30 Reflections.

GRANADA 10.00 am Beatles. 10.15 Wildlife in Crisis. 10.35 The Paper Lads. 11.00 Sesame Street. 1.20 pm Granada Reports. 2.00 About Britein. 12.30 Monday Matineo: Gena Kelly in "Crest of the Wave." 10.30 The Late Film: Peter Falk in "Prescription: Murder."

111 V
10.00 am The Human Face of China.
10.25 The Lost Islands 10.50 Sesome Street. 11.50 Larry the Lamb in Toytown. 1.20 pm Report West Headlines. 2.00 About Britlein, 12.30 The Monday Matinee: "A Place of One's Own," starring Margarot Lockwood. James Mason and Barbera Mullen. 7.00 Report West. 10.25 HTV News. 10.35 The Monday Film: X, Y. ZEE, Starbert Taylor, Michael Caine, Susannah York and Margaret Leighton. HTV CYMRU/WALES—As HTV West/General Service except: 12.00-12.10 pm

General Service except : 12.00-12.10 pm Trehetieu. 1.20 Penewdau Newyddion

Tamara Karsavinai, 8.25 Concert (S). 9.25 Lawrence Travelling (Recding from D H. Lawrence). 9.45 Concert (S). 10.30 EBU Jazz Concert 11.00 News.

11.05-11.15 Hamilton Harty.

Viff—with Medium Wave except as follows: 6.00-7.09 pm Open University.

11.25 Mahler, Bach and Beethoven concert (3). Part 1 12.05 pm. Interval Reading 12.10 Concert, part 2 (5). 1.00 News. 1.05 Bath Festival 1980 (\$) Song racital. 2.10 Matinae Musicale (\$). 3.10 Cello and Piano Recital (\$). 3.55 New Records (\$). 4.55 News. 5.00 Mainly for Pleasure. 6.20-7.00 Open University.

6.00 am News Briefing, 6.10 Farming Week, 6.25 Shipping forecast, 6.30 Today, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News Headlines, 7.45 Thought for the Day, 8.35 The Week on 4. 8.45 Miles Kington with the BBC Sound Archives, 9.00 News, 9.05 Start The Week with Makey Revon, 10.60 News

11.05-11.15 Hamilton Harty.

4.15-Snew Blessed 4.45-Spectacular Bell**

SCOTTISH 10.00 am About Turn. 10.25 How The West Was Won. 1.20 pm News and Road and Weather. 2.00 About Stan. 2.30 Monday Matinee. "Taran and the Jungle Boy." 7.00 Scotland Today News and High Summer Extra. 10.30 The Clearances (documentary about the denogulation of the

SOUTHERN 10.00 am Focus on Wildlife. 10.25
Little House on the Frairie. 11.20 firstory of the Motor Cer. 11.45 Larry
the Lamb. 1.20 pm Southern News.
2.00 Houseparty. 2.25 "The Mark of
Zorro," starring Fank Langella. 3.45
About Britain. 7.00 Day by Day. 10.35
"Tales from the Crypt," starring Rulph
Richardson.

TYNE TEES 9.20 am The Good Ward, followed by North East News. 9.30 The Master-builders. 9.55 The New Ed Allen Show. 10.20 The White Stone. 10.45 Space 1939. 11.40 The Secret Lives of Waldo Kitty. 1.20 pm North East News and Lookaround. 2.00 About Britain. 2.30 The Mackensie Alfair. 3.30 Bloomin' Human. 3.45 Kum Kum. 7.00 Northern Life. 10.30 North East News. 10.32 The Monday Thriller: "Lady of the House." starring Dyan Cannon. 12.30 am Time Flies in Filey.

12.30 am Time Fles in Filey.

ULSTER

10.00 am About Turn. 10.25 The Lost Islands. 10.55 Sesame Street. 11.55 Cortoon Time. 1.20 pm Lunchtime. 2.30 Monday Matinee: "Crest of the Wave," starring Gene Kelly, John Justin and Bernard Lee. 4.13 Ulster News Headlines. 7.00 Ulster Television News. 7.15 Portrait of the Artist. 10.29 Ulster Weather. 10.30 Feeture Film: "Treffic," starring Jacques Tati and Mario Kimberley. 12.16 am Bedtime.

WESTWARD 10.00 am About Turn. 10.25 Feature Film: "Cheeper By The Dozen," starring Clifton Webb. 1.20 pm Westward News Headlines. 2.00 About Britain. 12.30 The Monday Matines: "Broken Journey." starring Phyllis Calvert. 4.12 Gus Honeybun's Birthdays. 7.00 Westward Diagr. 13.73 Westward Late. Wastword Diary. 10.32 Wastward Late News. 10.36 Our School. 11.05 TV Movie — Science Fiction Trilogy. 12.25 am Faith for Life. 12.30 West Country Westher and Shipping Fore-cast.

YORKSHIRE 10.00 am Wildlife-Wild, Wild World of Animals, 10.25 Oliver and The Artiul Dodger, 11.10 Young Ramsey, 1.20 pm Calendar News, 2.00 About Britain, 2.30 Monday Matines: "Sunstruck," zaming Harry Secombe. 7.00 Calendar Emley Moor and Belmont editions). 10.30 "Two Mules for Sister Sara," starring Clint Eastwood and Shirley MacLaine.

5.00 am A3 Radio 2. 6.30 Rush Hour. 10.03 The Robble Vincent Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Music on the Move. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join London Broadcasting

London Broadcasting
6.00 am AM with Bob Holness and
Douglas Cemeron. 10.00 Brian Hayes
presented by Vivian Whrte. 12.00 LBC
Raports. 8.00 pm After Eight Special—
The Armenians. 9.00 Mike Dickin—
Nightine. 12.00 LBC Reports Midnight,
1.00 am Night Extrs. 3.30 LBC Cinema.
4.00 After Eight, 5.00 Moming Music.
Consider Eight, 5.00 Moming Music.

Archivas. 9.00 News. 9.05 Start The Week with Malvin Bregg. 10.00 News. 10.02 From Our Own Correspondent. 10.30 Daily Service (S). 10.45 Story Time. 11.00 News. 11.05 The Queen Mother (A radio biography in three parts). 11.50 Weigh-in. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1980 (S). 12.55 Weather: programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3 02 Listen with Mother. 3.15 Afternoon Theatre (S). 4.30 Letter from a Traveller, 4.45 Short

ENTERTAINMENT GUIDE

OPERA & BALLET

ISEUM, Credit cards. S. 01-240 5258 ervatuoes 01-836 3161. ENGLISH ITONAL OPERA. Season opens Thurs. 0- Auga. Set. 7-30: La Vic Parisienne. Balcory sexts avail, from 10 am op COVENT GARDEN. 240 1066. S (Gardencharge CC 836 6903.) TH RDYAL BALLET TOMOT, Thu & Fri 7.3 Giscolle, Wed 7.30 Mizmon, Sat 2 pm (7.30 Swzu Lake, 65 Amph; seats ava for all peris. from 10 zm op day of peri GLYNDEBOURNE. 0273 812411-813424
with the Lordon Philharmonic OrchestraUnai August 11. Sold Out-possible
returns only. Tonight & Fri 5.30: Die
Zarberfote Tomor, Wed & Sat 5.00:
Der Rosentavalier, Wed 5.20: La fedeba
premata. Train departs Victoria 2.52 pm.

QUEEN ELIZABETH HALL. 928 3191 Until Aug 9. Eves. 7.45. Sun 3 & 7.15 PHILIPPE GENTY PUPPET COMPANY ROYAL FESTIVAL HALL, 928 3191. TO ALS. 9 Eva incl Sun 7.30. Mat Sats 3. No port Mon. The magnificant MAZOWSZE DANCE COMPANY FROM POLAND. SADLER'S WELLS THEATRE EC1. 837
1672. CC 837 3856-7505. D'OYLY
CARTE in GILBERT & SULLIVAN Lest
Week. Eys. 7.30. Wed. Sat. 2.30
Tonght Tomor. & Wed: The Sorcerer.
Thurs. Fri. & Sat: The Yeoman of the
Guard. From Aug. 18: MARCEL

THEATRES ADELPHI. CC. 01-836 7611, Evgs. at 7.30 Sat. 4.00 and 7 45. Mars Thurs. at 3.00 TONY BRITTON. LIZ ROBERTSON. PETER BAYLISS & ANNA NEAGLE ID FAIR LADY, Group bookings ring 01-836 7358 or 01-379 6061. ALBERY. S. From 9 am 01-836 3878. CC. 379 5565. Group bkgs. 836 3562 or 379 6361. Air cond. Eve. 7.45. Mats. Thurs. & Sat. 4. OLIVER! CHILD HALF-PRICE.

ALDWYCN. S. 836 6464. CC. 379 6233 (10-6. Sats 10-4). Info 836 5332. Fully air conditioned ROYAL SHAKESPEARE COMPANY. From Wed. Eves. 7.30. The. Sat. mats 2 00. From Stratford-upon-Avon TWELFTH NIGHT. RSC also at The Warehouse and Piccadilly Theatres. AMBASSADORS TH. S. 835 1171, CC 379 6355, Eves 8, Fri. & Sat. 6,00 & 8,44 sharp! HAROLD PINTER THE HOT HOUSE,
APOLLO THEATRE S. CC. 01-437 2563.
Parties 01-379 5051. Mon.-Fri. 8.00.
Wed. 3.00. Sat 5.08. d. 8.19. Mot. Mar.
GOUGH, PHYLLIS CALVERT in BEFORE
THE PARTY by Rodney Ackland. Story
by Somernet Maugham. Directed by
TOM CONTI.

TOM CONTI.

CAMBRIDGE. 01-836 6056. Credit cards accepted. 01-836 7040. Mon-Fri. 8.0. Thurs. 3.0. Sat 5.0 & 8.30 CHICAGO ELIZABETH SEAL JACQUIE TOYE. COLIN BEHNETT. HOPE JACKMAN. BRIAN HEWLETT. LYNETTE BENTLEY. Ann-Initiation policy? Scats at 51.50. Cash prizes at every perf. Group sales 379 5661 & 836 6036. Student Nurses. OAP; Standby £1.50. Student Nurses. OAP; Standby £1.50. HOTLINE 240 5679. Was 1 and debut Oct. 21. Book Now.

CHICHESTER FESTIVAL THEATRE. 0243 CHICHESTER FESTIVAL THEAIRE 0243
781312. Season sponsored by Martini
& Rossi Ltd. OLD HEADS & YOUNG
HEARTS. Today. Tomor. Wed. Thur.(m).
Fr. Sat. MUCH ADO ABOUT NOTHING
Thur. Sat.(m). Evgs. at 7.00. Mats. Thurs.
& Sat. 200. 6 Sat. 2.00.
COMEDY THEATRE. CC. 930 2578.
Mon-Sat. 9.00. Mat. Fri. and Sat. 6.30.
THE ROCKY HORROR SHOW. Group
sales Box Office D1-379 8061. Last 7
WEEKS. MUST END SEPT. 13.

DUCHESS TH. CC 01-836 8243. Grp sales 379 6061. Evs 8.00. Set 5.30 and 8.30. Thurs Mass. 3.00. MARIA AITEM, MICHAEL JAYSTON IN Noci Coward's PRIVATE LIVES. PRIVATE LIVES.

DUKE OF YORKS. CC. 836 5122.

GLENDA JACKSON ROSE A new play by Andrew Davies. Eves. 8.00. Mat. Wed. 3.00. Sat. 5.00. Over 150 totally sold out performances. Seats available for today at Theatre, Must end Aug. 30th FORTUME. S. CC. 01.836 2238. Eves. 7.30. Weds. 2.30. Sat. 4.00 and 8.00. JAMES AUBREY and PATRICK MAGEE In Marlow's Masterpiece DR. FAUSTUS. Now over 100 Performances. GARRICK. CC. 01-836 6601. Evgs. 8.00 (sharp). Fri. and Sat. 5.20 and 8.30. Ital Levin's DEATHITAS.

GOOSE THEATRE S CC. D1-437 1592.
Group salet 379 6051. Eves. 8 Mst.
Wed. 3 58ts 5 and 8.15. Servi Reid.
Barry Poster. Peter Bowles. Jan Waters
In 3 ages play by Peter Nichols BORN
IN THE GARDENS.

HER MAJESTY'S, CC. S, 01-930 6506, Keith Michell, Julia McKenzie, Mark Viviter, Ann Seach in the Aware-winning Broadway Musical GN THE 20th CENTURY, Eves. 8.00. Mariness Weds. 3.00. Set. 4.00. Over 100 Performances and new booking until Christmas. Instant credit card bookings \$20 6506. LYRIC THEATRE. CC. 01-437 3536. Grb, Sales 379 5051. Evgs. 8.00. Wees, 3.00. Sales, 5.00 and 8.00. RODNEY BEWES, FRANCIS MATTHEWS In MIDDLE AGE SPREAD, COMEDY OF THE YEAR, WEST END THEATRE AWARDS.

NATIONAL THEATRE S. 928 2252. OLIVIER (COMM Stage): Ton't, 7.36 AMAEDELIS by Peter Shaffer, Tomor, 7.30 SISTERLY FEELINGS (Abigaly 7.30 SISTERLY FEELINGS (Abigali)
Canvasi.
LYTTELTON (proscalum stage): Ton't.
Tomor 7.45 DEATH OF A SALESMAN
by Arthur Miller.
COTTESLOE (small auditorium—all stab
£3. Student standby £1.20k Ton't.
Tomor, 8 00 The Market Theatre of
Johannesburth presents Athol Fugard's
A LESSON FROM ALOES.
Extellent cheap seats from 10 am day
of perf. all 3 theatres. Car park.
Rostsurant 928 2033, Credit card blos.
928 3052. OLD VIC. 5, 928 7516, CC 261 1821, I HAVE EEEN HERE ESPORE by J. B. Pricatley, Prey, Tomor, 7, 30, 00005 Wed. 7 pm. From Thu, evgs. 7, 30,

PRIL From the ergs. 7-24,

OPEN AIR REGENT'S PARK, CC. 5 ABE
2531. MUCH ADO ABOUT NOTHING,
TODAY. Tues. Wed A MIDSUMMER
NICHT'S DREAM. Thur. Fri. 5at. Evgs.
7.45. Mats. Wed. Thur. 5at. 2.30 Shaw's
ANDROCLES AND THE LION opens next PALACE S. CC. 01-437 8834. Mon-Thur, 8.00. Fr. SM. 8.00 and 8.40. PESUS CHRIST SUPERSTAR. LAST & WEEKS. PALACE, S. CC. 01-437 5834, From Sept. 17 RODGERS & HAMMERSTEIN'S OKLAHOMA!

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PRINCE EDWARD. CC. 01-457 5877.

Fris. 8.00, Mats. Taurs, and Sat. 3.00,

EVITA by Tim Bice and Andrew Love

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RAYMOND REVISEAR CC 01-734 1593 At 7.00, 9.00 11.00 ppi Goess Sunt. PAUL RAYMOND presents THE FESTIVAL OF ERCOTICA. New Acts. New Girls. New Thrills. 23rd Sensational year. Fully air conditioned. ROYAL COURT THEATRE UPSTAIRS, 730 2554. Rehearsed Reading, NOT QUITE JERUSALEM by Paul Kimber, Tonight & Tomor, 7.30.

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Music by MARVYN HAMLISCH. Lyrics
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2.30. Group sales Box Office 379-6081. 2.30. Group sales Box Office 379 6081.
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WAREHOUSE. Doomst Theatre. Covert Set 8.30. Set 9.30. Set 9.30. No. 1987. Thu 7.00 Nikolai Erdman's The Suncible All Seats 63.50. Students 82.00 in advance.

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ASSIC 1. 2. 3. 4. Chelses, King's Ros 1-352 5096. I 352 5098. The property of the control of the cont 4. THE TEMPEST (AA), Sun. Wk. 3.00. 6.00. 8.40. E.DO. 8.40.

CLASSIC 1. 2. 3. Haymerker (Pictaghly Circus Tube). 01-839 TSE7.

1: THE BLACK STALLIEN (A) In Dolby Sperso. Progs. 7.00 that Sent., 3.20.

2: Wait Disney's THE LAST FLIGHT OF MOAH'S ARK. (C). Progs. 7.10 (not Sen.).

2:50, 5.25. 6.05.

2: LAST 3 DAYS! BAD TIMING (O).

Progs. 1 0 (not Sen.). 3.05. 5.40. 2.10.

4: BRONCO BILLY (A), CAPITAL CITY (U), Progs. 12.45; 2.40, 5.25, 8.15, 5: THE LORD OF THE RINGS (A), Sep-berts, 2.00, 5.00, 8.00, CLASSIC: Leicester Square 91-930 6915. ZOMBRES DAWN OF THE DEAD (X). 1.40 (not Sur.) 4.55. 8.15. THE GREAT ERITISH STRIFTEASE (X): 2.50. 7.05.

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From the Producers of Pardon Mort Affaire. COURAGE FUYONS: (AA) Work Affaire. COURAGE FUYONS: (AA) WITH JEAN ROCHFORT and CATHERINE DENSUVE. (English sub-titlesh. Prugs. at 2.00 (not Sus.1. 4.10, 6.20 and 8.40. ODEON: HAYMARKST (930 2738-2771). THE TIN DRUM (X). Seb. progs. 1.50, 4.50, 8.10. All-Seets May Be-Booked At Box Office. DDEGM, LEICESTER SQUARE (930 6111)
THE STAR MARS Saga consistes with
THE EMPIRE STRIKES BACK (U). In
TOmm and Dolby Sound. Sep. props. Dr.
Open Div. 12.00, 3.45, 7.36; All Seats
May Be Booked In Advance At Thertre
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1670. Also Ettchings was Linho
graphs by J. McNEILL-WHISTLER. Link
1 August: Men.-Fri. 9.20-5.30; Thurs
until 7. EFEVRE GALLERY, 50. Broton St. W.1. 01-493 1972-3 19th- and 20th-Century Paintings and Watercolours on view Mon-Fri. 10-5 MARIBOROUGH GALLERY, 6. Albermaria \$1. W.1. Important works by AUER BACH, BACON, BRAQUE, ERNEST FEININGER, HEPORTH, KITAJ, MOORE FEININGER, HEPORTH, KITAJ, MOORE SCIVILS, SCHWITTERS, SUTHERLAND and 29 Aug. Mon. Fri. 40-5.30. Sats. 10-12.30. MATRAF GALLERY, 24 Motcomb Street London, S.W.1. 235 0010. Exhibition of Contemporary paintings of Kuwah Oman and Saudi Arabia.

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a collective work.

a statutory There exception to this proviso. The work as such and did not extend prohibition did not apply to the to the individual copyrights of assignment of the copyright in the collective work. collective work.

The songs under appeal were the music publishers argued not collective works altracting.

That confidence, and was not hard pressed to outpace the admittedly more

Turning to today's racing the Gosforth Park executive must be bitterly disappointed with the turnout for Newcastle's feature event, the Harry Peacock Challenge Cup. three-Parkdale, Tumbledownhill and Lombardi are to race for this £6,000 prize, Lombardi. an American bred colt owned by Harry Demetriou is among

the best of the Barry Hills juveniles and he is selection. NEWCASTLE 2.13-New Journalism*** 2.45-Maris Quest 3.15-Border Knight 3.45-Lombardi*

Y Dydd. 1.25-1.30 Report Wales Head lines. 2.00-2.30 Hamdgen. 7.00 \ Dvdd. 7.15-7.30 Report Wales. 8.30

Highlands). 11.30 George Hamilton IV. 12.00 Late Call.

Story. 5.00 PM. News magazine. 5.50 Shipping forecast. 5.55 Woather; programme nows. 6.00 News. 6.30 Rumpole (5). 7.00 News. 7.05 The Archers. 7.20 Science Now. 7.45 The Monday Play (S). 9.15 Crowdis and Cream. 9.30 Kateidoacope. 9.59 Weather, 10.00 The World Tonight. 10.30 The News Quiz (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News. PRC Redio London

Capital Radio
6.00 am Mike Smith's Breaklast
Show (S) 9.00 Michael Aspel (S).
12.00 Graham Dene (S). 1.00 pm London Today First Report (S).
1.18 Graham Dene (S) continued. 3.00 John Sachs (S).
7.00 London Today (S).
7.30 Adnon Love's Open Line (S).
9.00 Alan ("Fluiff") Freeman (S).
11.00 Tony Myatt's Late Show (S).
7.00 am Peler Young's Night Flight (S).

BBC Radio London

Covent Garden

a wax-work.

Lake on Saturday afternoon

was sustained throughout by

Freed from these fatulties

about classic line. Once united

a creature seemingly contained

St. Martin in the Fields

Academy Festival

by DAVID MURRAY

Academy in St. Martin in the confidence no doubt fulfilled Fields: a happy commemorative Mozart's performing intentions return to its starting-place for admirably—a special sophisticathe ensemble, this year being its tion, perhaps too special, is twenty-first. The acoustic of the church is maximally flattering to undercurrents of the music. But the basic string group - on its the Andante deserves riper own; but the opening Festival mulling in it nearly every turn programme on Saturday pre-reveals new depths, and scribed full winds, too, and the Marriner's unhestitating stride platform allotted them was too left us too little pause for much of an overbearing advantage. In Handel's Royal Fireworks Music, where the composer was anyway insisting on a generous role for his strings against the "martial" prefer-ences of his royal patron, each band gets its limelit opportunities (the Ouverture and "La Réjouissance" boasted splendidly secure trumpets). In Mozart and still more in Mendelssohn's "Scottish" Symphony, the bold immediacy of the winds thrust the strings contribution into a seeming middle. bution into a seeming middle

Having led an exuberantly heartening performance of the Handel, Neville Marriner treated Mozart's "Prague" Symphopy to a no less bouncy. The next four concerts (from athletic reading. All the music tonight) chiefly feature the was there, but rendered in Academy strings: Saturday

For a week, we have the movements, all that headlong needed to expose the dangerous appreciating them. It goes without saying that what we heard was clean and richly polished. Vulgarly out of sympathy with the later Mendelssohn, I can

report only that the "Scottish" Symphony was done with great élan, and that the wind playing - granted the accidental overprominence of the band, and the opacity of 'Mendelssohn's windwriting in tuttis — was of an order to lend unusual distinction to the solos. The Vivace was a four de force, with the horns brilliantly fleet. At the end of the concert it was clear that anyone who might not previously bave been numbered among the loyal Academy audience had joined the enthusiastic partisans. was there, but rendered in Academy strings; Saturday primary colours. In the outer brings Bach's St. John Passion.



Artist's impression of the Hoop and Grapes pub at Aldgate as it could look if restored as a 17th-century

Architecture

The City in the dock

by COLIN AMERY

Wigmore Hall

Chilingirian Quartet

by DAVID MURRAY

Is it encouraging that one of our leading young quartets should deal twice as confidently with Haydn and Mozart as with Schoenberg? That was what happened on Friday. Oddly onesided sympathies, one thought, for a team once coached by Hans Keller (though their Haydn doubtless reflected his beneficent influence). Still, what they offered made a satisfying evening, partly because their study-performance of Schoenberg's Second Quartet was sited between the two Classical works instead of at the end.

The Haydn was the genial E-flat Quartet, op. 64 no. 6. Cheerful-conversational balance in the Allegretto, a chastely romantic Andante, a tearaway Finale like silent-film comedy everything stylish and communicative. The K. 428 Quartet of Mozart, also in E-flat, took well to a heftler delivery, its oftenremarked chromatic tensions of Schoenberg's arching line. grounded upon a firm bass line and a generally rich, robust musical shapes of those searing sound; more "linear" perforclimaxes remained unfocused mances tend to a spidery quality, and rather ineffectual, leaving

In the Minuets of both those works, Levon Chilingirian's deliberately angled phrasing of their main subjects was delight ful-bold, astringent characteri-sation in just the kind of Classical movement that modern players make misguidedly po-faced all too regularly. How, then, could he and his team allow Schoenberg's fleering scherzo to sound so flat and square? The opening Mässig had been all right, if a degree too bland; but all the nerve-end malice of the scherzo must be brought out in order to throw the succeeding "Litanei" into proper relief, and there wasn't a trace of it. In "Litanei" and the other vocal movement. "Entrücking," Jane Manning was not an ideal soloist in any case. Though I admire her are enormously, it might as well be said that her soprano blots too much at the top for the good For all her fine intensity, the

RPO plans for 1980-81

81 season with a tour to Stresa, Montreaux and Lucerne in early September. Walter Weller, the orchestra's new principal conductor, launches the RPO's series of 34 concerts at the Festival Hall on September 21 with a concert featuring the soprano Elly Ameling and the young Japanese pianist Ken Noda.

Carlo Maria Giulini begins his association with the orchestra on June 28 and 29, with two performances of Requiem, at the Festival Hall.

Other highlights are Jessye Norman singing Berg's "Lulu Song" on February 1, for the first time; three concerts by RPO's conductor laureate Antal Dorati's 75th birthday on May 28 with a performance of his own cello concerto, with Janos own cello concerto, with sales Starker; and the return of Capital Radio will communicate Starker; and the return of Capital Radio will content Erich Leinsdorf on April 15 to support the orchestra. Plans for the 1980-81 season include of Capital Concerts

week that the orchestra will recording for broadcast.

next two/three years, on top of its LOCB grant, to fulfil its artistic and financial objectives The Legal and General remains its major sponsor, entering its eight-year association with a commitment to date of more than £150,000. Lasky's is a prominent new commercial

Wren Orchestra appointment

The Wren Orchestra has appointed a new general manager, John Burrows, 40years-old and a former deputy Daniel Barenboim in February years old and a former deputy celebrating his "Silver Jubilee" managing director of Howard with the RPO; celebration of and myhishing group. He has and publishing group. He has also been made a director. He takes up his appointment on September 8.

The RPO's chairman said last which the radio station will be

The City of London has no and highly original" set of reason at all to be proud of the has been done to preserve

been undermined by the sacrifice of the scale and street

pattern. Two important cases are about to put the goodwill of Mr. Stuart Murphy, Architect to the City of London, through a severe test. The City has applied to demolish Billingsgate Fish Market and has given consent for a ruthless gutting of the Hoop and Grapes Public House in Aldgate, a buildings are listed by the Department of the Environment the final decision should rest with Mr. Michael Heseltine if he feels moved to "call them in." It was Mr. Heseliine who bravely is a good chance that he will intervene to save these two important remains of the City's dwindling architectural heritage.

The Hoop and Grapes is the End. City's last intact timber-framed building dating from the 17th century and there is a chance that it is in fact a pre-Fire building. The pub was closed by its owners. Bass Charrington, vert the inn into an "exclusive proposal is needed.

way it has looked after the architectural heritage of the Square Mile. Any good work that Gardiners Corner traffic island The building was exposed to was made at the end of Aldgate

certain individual buildings has and this accidental exposure of the rear and side elevations SAVE, the conservation group gives visitors to the City arriving that campaigns all over the from the East a fragmentary glimpse of the past. This view will be obliterated by a new and ugly office build-ing which the developers claim is necessary for the financial success of the so-called restora-

tion of the pub. The interior of the pub and the adjoining houses are full of 17th century largely untouched example of a atmosphere and according to 17th century pub. As both these conservation groups could be restored as a pub with a court-yard and garden allowing for park could finance the whole small office conversion to finance a much more modest use for this great Victorian scheme. Charringtons' record market is just what is needed. as conservationists is not too listed Billingsgate and so there hot; they own an appallingly neglected row of early 18th-century houses in the Mile End Road as well as the decaying Grade I House Mill in the East

The real tragedy of the Hoop and Grapes scheme is that it pretends to be conserving a listed building when in fact the renovation proposals accompanied by the overbearing new in 1975 and they are planning, building will destroy all traces with Haslemere Estates, to con- of history. A much more modest

not at all Mezartean, and the the string epilogue little to mull Chilingirian's solid breadth was welcome. Lucky that there was welcome. Schlosspark-Theater, Berlin

James Saunders' Bodies

by RONALD HOLLOWAY

Harold Pinter's Betrayal on the (literally: Body and Soul). and supple. The staging (Hans boards with regular sell-outs Edward Albee's Who's Afraid Bohrer. Polixa) seeps of a for months now. Both will run of Virginia Woolf? aside. this studio-jungle for stalking prey boards with regular sell-outs for months now. Both will run well into the new season on popular demand alone - and surely continue the tradition, nately destroy and rescue its introspective best, for his Thalia Theater in Hamburg packed 'em in a decade ago with Saunders' Alas, Poor Fred and Pinter's Old Times.

A hint as to why the British playwrights (the list is a long one) continue to dominate the scene in Germany would fill a book, so suffice it to say at present that chamber dramas and social comedies are beloved by the upper-crust who frequent, and support, subsidised theatre here. Berlin's distinguished critic, Friedrich Luft, acknow-

It is appropriate that an ledges a Scottish ancestor who morality for the sake of a con-Anglophile like Intendant Hans endeared him to the English versation alone. Helmut Polixa's Lietzau of the Schiller-Theater language and British theatre at direction of four veterans in in Berlin should close the a tender age. German translator the art of mental gymnastics season and his tenure of office Hilde Spiel, another distinct Regina Lemnitz and Friedhelm with James Saunders' Bodies at Anglophile, rendered Bodies in Ptok as the young couple, Helen the Schlosspark-Theater (the a flawles living-room prose and and David, and Lieselotte Rau Schiller's "little house" in added, perhaps, a nuance of her and Erich Schellow as the older Steglitz). The same theatre has own in the title, Leib und Seele Anne and Mervyn — is light

is an energetic Saunders prob- behind sofas and bookshelves. ing of the middle-class Seele or stripping a human to his or new Intendant Boy Gobert will and the oral trips that alter- her psyche. German theatre at

> Kent Opera sponsorship

Kent Opera have announced that their forthcoming production of Verdi's Falstaff, directed by Jonathan Miller, is to be Kenny Murray, Peter Flannery sponsored by Sainsbury's, in and Ted Moore, and bursaries association with the Sainsbury of £1,000 for Frederick Proud Family Trusts.

Arts Council theatre writing bursaries

The Arts Council has approved theatre writing bursaries of £2.000 for Jamie Reid, John Antrobus, Colin Bennett,

these alternative proposals are

conservationists and not from the City? It used to be fashionable to say that conservation was a negative process - both positive and imaginative and would do a great deal to enhance the City.

Billingsgate Fish Market is

moving to the Isle of Dogs and

the City Corporation would like

to demolish the fine 1875

market building which was designed by the architect of

Tower Bridge, Sir Horace Jones.

country to protect old buildings.

has produced a scheme to turn

the market buildings into a

shopping and eating centre for

the City lunch-time trade that

will also improve facilities

along the river for the tourists who visit the Tower and the

SAVE's proposals, drawn up

by the Chrysalis Group of architects, show how an office

building on the adjacent lorry

scheme. Clearly a new public

their converted fish market

which is now an agreeable mix

ture of shops and successful

Why is it that the imagina-

tive schemes for both these

buildings have come from

restaurants

within her own despair, the lake-side scene took more of its colour from Siegfried's sudden, Rothbart need editing), and the on the evidence of these unidio-dramatic impulse behind this matic accounts of the Genzano obsessive passion.

The upward, outward curve of Odette's dances wreathed gloriously round Siegfried, but her spiritual isolation broke only at one thrilling moment high-Romantic gesture was matched by a dance impulse no less bold, the bodies driven by

Makarova, whose body bent has created for the senior in dancing.

The Makarova/Dowell Swan despairingly towards Siegfried students, to a Granados' plano ake on Saturday afternoon as Rothbart's spell again took suite. Neat. well-made, well-

Swan Lake by CLEMENT CRISP

the emotional rapport, the senswings before our eyes. that they were dancing for each other, which had given these same artists' Manon such dramatic coherence two days fiancées was shown by Dowell as a man who has met his fate. before. Both characterisations And the Odile who tricked him had that hard-won simplicity was almost contemptuous: which comes when dancers have Makarova's portrayal of the enchantress, and her technical account of the dances, had an inlearned to reduce their interpretations to an essence. Dowell had to rid himself of a crown and trailing cloak, sported in vincible alure. Both performers were able to surmount the tenthe opening scene, which are a witless means of identifying sion-wrecking fact of the third act duet as a circus-piece for Slegfried to us as a Prince, and which the audience eagerly which succeed only in making waits: the integrity of their this princely dancer look like playing could even bridge the interruptions of applause; the final pose, Makarova's body back-flung in triumph and held Dowell poured out the first-act solo as a magisterial statement

with Odene, his Siegiried acquired purpose, and hence dramatic focus. And because Makarova on this occasion presented a very "inward" Odette. preter as successful virtuoso. The end of Act 4 was also potent: for once the fevered decision to die together seemed inevitable (the preceding tugof-war moments with Odette torn between Siegfried and feeling. It is a matter for satiswhen, in the pas de deux, she took Siesfried's band and pressed it to her face in a brief, tender gesture before moving faction that this Makarova/

tender gesture
away from him.
The adagio was exquisite in.
Its sweeping legato to phrasing:
the Royal Ballet School has completed a week's season this brought a mixed bag of leave-taking was more fraught programmes. The main interest and dramatically poignant than resided in the new Danzas though, was that vital quality I have seen it before with Espanolas that Michael Corder needed for Bournonville: a joy

transmission.

hold, the arms then turning into tailored to the abilities of his young interpreters, I thought The dreaming Siegfried who the piece charming, gently apt danced with the prospective in its way with the music without fuss, Corder fits steps happily to the score - and with enough pimento-flavour in these classic dances to let the students

show that there was a slight debt to be paid to Spain. I admired the entire cast, with Kate Strong especially pleasing in her brave, clear extensions and speed of movement: the pocket-handkerchief stage and its steep rake are no help to the dancers, but Corder showed them at their best.

I wish I could comment with as much pleasure about the Bournonville items on display. I take it as indicative of the Royal Ballet School's view of by the ecstatic Siegfried, was an essential image of the drama and not merely of the interthe great Dane that they misone of his composers. I could see no evidence that anyone involved had received first-hand instruction in Bournonville schooling. It is high time that the RBS gave its pupils authentic Bournonville classes; even

young are enhanced by the bounding, brilliant choreography. Russell Maliphant and Nicholas Ringham looked very Dowell reading is to be filmed Nicholas Ringham looked very by Thames Television for later bright in Napoli. and Ales sandra Ferri reaffirmed that she has a special gift - quiet yet airy — waiting to blossom into something that I hope may prove an important talent. What each of these attractive young dancers did manage to show

duet and the Napoli septet, the

Glyndebourne

Der Rosenkavalier

by MAX LOPPERT

Rosenkavalier, two important middle-register phrases, in changes of cast brought us which Strauss vocal writing is Elizabeth Harwods Marschallin conspicuously rich, must be and the Baron Ochs of Artur undertaken with especial care. duced to Britain. Both were successful: the playing was rounded, musicianly, fully In a small theatre (and savoured, in a way that con-because Mr. Haitink's vigilance firmed the essential vitality, about letting every utterance interest, and freshness of the through the instrumental tex black and red. Mr. Korn filed staging by John Cox in its ture was on this occasion unalready fabled Erté designs. Future seasons will no doubt provide many further opportunities for rushing to the polished actress. graceful in defence of both, for this is not the moment; but I must insist tions from playful to pensive sympathy without conniving at that at this performance, moods; if her fragile singing it. The voice is a fine one. combination of metal, dramatic sensuality of the woman, her massive) far below the bass purpose, and chivalry to his singers by Bernard Haitink (the LPO, alas, not always in very finely judged—the Marschallin grainy character to the timbre.

Gallic lightness and wit of the utters the words affectingly and where the comedy (sometimes a setting, supplying therein a sentiently. She carries the queasy business) is fitly handled, necessary emotional core. Most costumes easily—no mean feat, small parts such as these seem of the bloom has faded from the She is a true Marschallin.

At Friday's performance of timbre, most of the substance It can be no pleasure having the new production of Der from the tone; the weighting of to succeed Donald Gramm in any Korn, a German bass here intro- and even then do not always emerge exactly balanced or perfectly tuned.

> the poignancy of the character-Miss Harwood is a cannot quite convey the robust boldly used

role. Mr. Korn did so with a most taking determination and confidence. Ochs is one of the notable successes of this production, a man tending to grossness yet still a ripely attractive figure, crude but canny in his manipulation of other people. something of a country buccaneer blazoning forth in the stage with his presence. sleeping), this seemed to add to, which an Ochs must do; his playing was idiomatic in the best way in that in accent. demeanour, and attack he won comedy, subtle in the transi- a natural quantity of audience pathos comes naturally, without stave, firm and even brilliant undue emphasis. The style is above it, and with an appealingly good form), the Glyndebourne is not a wholly admirable A passing word for the duenna standard flew high and proud. woman, and Miss Harwood's of Rae Woodland, the Werden Miss Harwood's princess is a treatment of Sophie, at once ex-berg Major Domo of Hugh heautifully measured creation; quisitely modulated and brutal, Hetherington, the Police her qualities, particularly in the does not shrink from a moment Inspector of David Wilson first act, set off resonances in the of dislikeable cruelty. She Dickson: in a Rosenkardier

Arts news in brief

for public enterprise, has been Export of Works of Art that a Cinema 1931-41 and 30 feature given to the Tate Gallery for its licence to export the archive of films will be shown. The Extension opened in May 1979. the philosophical papers of majority will be specially The award for private enter- G. E. Moore OM (1873-1958). imported from Italy and will not prise goes to the Pier Arts should be withheld for two have been seen in Britain Centre in Stromness, Orkney, months to give public collections which houses the Pier Gallery in the United Kingdom the Collection of 20th century opportunity to purchase it. abstract art, exhibited at the Tate Gallery in the autumn of

Mr. Norman St. John-Stevas, Italian films at the National

YACHTING

Martini and Rossi have agreed to sponsor a major season of Minister for the Arts, has Film Theatre in September.

The "Come to Britain" accepted the recommendation of The season will be called Trophy for 1979, a special award the reviewing committee on the Before Neo-Realism: Italian

The Oxford Festival production of The Horseshoe Theatre Before by J. B. Priestley transfers to the Old Vic for performances from July 29-August 23.

MICHAEL THOMPSON-NOEL LOOKS AT OLYMPICS SCENE

For Britain, it was most inspiring

panache, Christopher Brasher of the Observer, doyen of Olympic track writers, gave vent to the feeling yesterday that "you lot, back home in Britain, have not been made fully aware of what we out here in Moscow are witnessing "-namely, one of the most inspiring Olympics for Britain, boycott or no, since the organising authorities dropped Games curriculum.

tian Coe in the final of the 800 distance, wound up fifth in an metres, and Daley Thompson intriguing tactical race. himself one of the greatest decathletes in history, injury suffered in June that cost to complement the gold-medal him two week's training probperformance of Scotland's Alan ably reduced his effectiveness, Wells in the final of the 100 and may have cost him the gold. metres.

round of the 400 metres, and with a world record run of Britain winning three medals 1 min. 53.5 sec. Dainis Kula in the East German-dominated led a 1-2 Russian finish in the rowing finals.

pian, who ended the domination metre high hurdles in 13.39. of Finland's Lasse Viren in the 10,000 metres, winning the event with a typical flourish. His time was 27 min, 42.7 sec. Britain's Brendan Foster was 11th, just ahead of another British runner, Michael Mcleod. The 35-year-old Yifter, wore

tennis and croquet from the down the field with a devastatames curriculum. ing sprint some 300 metres from home. Viren, the Olympic 5,000 of us at home got a welcome and 10,000 metres champion in breather yesterday after the 1972 and again in 1978, trying heroics on Saturday in which for an unprecedented third steve Ovett outpowered Sebas-Viren tried valiantly, but an

metres.

There were some impressive finished second, in 27:44.3, British exploits vesterday, with ahead of two other Ethiopians. Wells recording the fastest In other finals last night in qualifying time in the opening the Lenia Stadium, Nadezhda round of the 200 metres, David Olizarenko led a 1-2-3 Soviet Jenkins reaching the second sweep in the women's 800 metres men's javelin with a throw of

Yet the Games yesterday 91.20 metres (299 feet. 2 inches) belonged squarely to Miruts and Thomas Munkelt of East Yister, the tiny, balding Ethio- Germany won the men's 110

The men's rowing finals proved such a benefit for the East Germans, who won seven of the eight gold medals, that Britain's silver and two bronze assumed an added lustre.

The silver was won by the British eight, which has rowed together for only 10 weeks: the two bronze by Charles Wiggin and Malcolm Carmichael in the coxless pairs, and by British coxless four.

In the eights, the British started smartly, but at the 1,250-metre mark coxswain Colin Moynihan discovered they had lost their rudder. Barely missing a beat, he reached behind and steered the British boat back in front of the Russians and Romanians. According to Moynihan, the loss of the oblivious.

Carmichael and Wiggin, the latter a student at the London School of Economics, were

medal from the Eastern Bloc teams competed. Europeans—in his case a gold, to go with the one he won in Montreal. He was the only Westerner" actually expected to win, and beat Vasily Yakusha of the USSR by a

length. The rowing finals were very much a family affair, with 10 pairs of brothers competing. four of them twins. The coxless pairs even boasted a one-two finish for twins, with East Germany's Bernd and Jord Landvoight, the defending Olympic title-holders, winning the gold from Yuri and Nikolai

Pimenov of the Soviet Union. If President Carter is following these Olympics, he will have heard that the U.S.-inspired hoycott of the Games had its rudder was noticed only by biggest impact so far in the Olympic Organising Committee. himself and stroke: the rest of three-day equestrian event, in Lapitsky, 21, last year's world the crew were fortunately which Federico Roman of Italy champion, was run through by won the individual gold medal the broken foil of a Polish yesterday, and the Soviet Union opponent on Saturday. A hospithe team gold.

Fritz Widmer, president of apparently pierced a blood delighted with their bronze in the International Equestrian vessel but missed Lapitsky's the coxless pairs, although Federation, claimed that there heart:

fatalistic about the way the were "no cheap medals" on "Easties" row. offer, but his confidence was "Easties" row.

Apart from Britain, only belied by the absence of single-sculler Pertit Karppinen Britain, the U.S., and West of Finland was able to wrest a Germany. Indeed, only 11

> science student, no less, had a total penalty tally of 108.6. ahead of Alexander Blinov of the USSR (120.8). The Russians won the team competition with 457 penalty points, ahead of Italy (656.2) and Mexico, with no fewer than 1,172.8 penalty points, the disparity between them a measure of the impact of the boycott.

On the medical front, Vladimir Lapitsky, the Soviet fencer injured in a freak accident in the Olympic foil team event, was said to be satisfactory in hospital. "He is not in a critical con-

dition," said Vladimir Popov, tal spokesman said the weapon

Tighter conditions for next Fastnet yacht race

Raman, a 28-year-old political people died.

The organisers, the Royal Ocean Racing Club, said yester- Week, is held every two years. day that changes planned for and the last time there was any next year's race would include real wind was in 1971. Fisher a qualification requirement that believes that because the next vessels and crew must have three races were "windless" specified ocean racing experievents, the week-end sailor ence. All boats will also have could have been led to believe to have VHF radio.

tragedy blamed exceptionally unparalled in yachting history. inevitable.

inquiry are analysed by yachts-man and journalist Bob Fisher in his book The Fastnet Disaster and After.

The conclusions of the race

The book contains dramatic, personal accounts by competitors and rescuers.

TIGHTER CONDITIONS are to fore 10 winds and gigantic seas be placed on entrants for the played a major part, panic, ing at ways of improving the Fastnet Race, in the wake of faulty equipment and lack of performance of life rafts and last year's disaster in which 15 knowledge of safety procedures were contributors in some cases. failure of harness or attach-The race, a climax to Cowes

he was capable of tackling a The official report into the race beyond his capacity.

The Fastnet has created its severe seas for a disaster own charisma in the yachting world, and 303 boats involving Conditions for most competitors nearly 2,500 sailors representing were outside their previous 21 countries set out last August experience, so errors were on the 605-mile classic from Cowes to the Fasmet Rock off the Irish Republic, and back to Plymouth. They included Edward Heath's Morning Cloud. which survived a knock-down, although the former Prime

Minister gashed his leg. Besides those who died, 136 were rescued from 23 boots Mr. Fisher says that while which were abandoned or sunk.

Working parties are now looksafety harness. Fisher says ment points accounted for six lives. More than 20 manufacturers offer their products in Britain alone, and many do not conform to the standards required by the British Standards Institute. He urges a consumer

Fisher also suggests the renaming of life-rafts. "They are the very last resort, and as such would perhaps be better named emergency rafts.

survey to "weed out the unsafe

"In practice in this race the life-rafts did save lives, but lives were also lost due to their failure and in some cases because of the implicite belief that they were the safest place to be-a proven fallacy in at least three cases where fatalities

occurred. The Fastnest Disaster and After is published by Pelham

Telephone: 01-248 8000

Monday July 28 1980

Rules for the public sector

turers has obvious attractions: countries continue to do it, of trade negotiations was a step despite international efforts to in the right direction, but procurb a serious non-tariff barrier gress is unlikely to be dramatic. to trade. Yet the conflicts which arise in putting the policy into practice can be awkward, especially for a nongovernment interventionist which believes not only in competition but also in giving taxpayers and consumers value for money.

U.S. rivals

The British Cabinet has been trying, so far without success, to resolve an argument between the Department of Industry on the one hand, and the Treasury and Inland Revenue on the other, over whether a contract for a new PAYE computer system should be awarded to ICL or put out to open tender. Under the existing preferential purchase arrangements, which are due to be withdrawn at the end of this year, the order local supplier has less experi-should go to ICL if it can ence with the product or system satisfy the customer on price. performance and delivery. Be-cause the contract is a large and important one, ICL's American-owned rivals, most of whom have sizable investments in Britain and have long resented ICL's privileged position, are pressing hard for an opportunity to compete. The Treasury is thought to have doubts about ICL's capacity to do the job and hence to favour an open tender, but that view

is not universal in Whitehall. The controversy over the PAYE computer occurs at a time when the whole issue of public sector purchasing has become a sensitive one for the Government. A few weeks ago the Aviation Authority decided to order radar equipment from a foreign supplier. much to the irritation of the electronics industry. Another Whitehell row is in progress over the desire by the Defence Ministry to buy light communications aircraft from the U.S. rather than from British Aerospace. Finally Sir Keith Joseph, Industry Secretary, is field, mainly aimed at the nationalised industries.

Tokyo round

be open to international com-The Commission in Brussels has public sector purchasing.

THE USE OF public sector been trying for some years to purchasing to promote the open them up, with disappointinterests of domestic manufacting results. The agreement on Government procurement which that is why most industrial formed part of the Tokyo round especially at a time of world recession. Preferential public purchasing, official or unofficial. is a form of protectionism which is deeply embedded in most of the industrial countries, including the U.S.

In practice the conflict is not between protection and free trade but between the purchaser's insistence (often stemming from a statutory obligation) on ensuring value for domestic industry concerned. Government departments and nationalised industries in the UK. like their counterparts elsewhere, will normally buy from local suppliers unless not to do so. That reason may have to do with price or delivery. It may be that the ence with the product or system required than his foreign

Decisions

In general departments and public corporations should be decisions on a commercial basis. This does not preclude taking a long-term view of the help of the supplying industry, as most of the nationalised bodies do. The problem arises when the preference of the purchaser conflicts with some other objective which the Government of the day considers important. In the case of computers, the public sectors choice has been restricted for several years, because successive Governments have sought to strengthen a British-owned manufacturer as a counterweight to the American companies which dominate the world markets. This is a legitimate objective, as long as the protection is seen to be temporary, and the costs are kept within reasonable limits. Given that the preferential

rules still apply, there is no planning new initiatives in this reason-for-the Government to depart from them in the PAYE case unless Ministers are convinced that the financial and technical risks of awarding the contract to ICL are unaccept-In an ideal world, of course, able. That is a judgment which all public sector contracts would politicians are ill-equipped to make. There is petition on an unrestricted basis. reconciling the interests of the It is a weakness of European in- taxpayer with those of a dustry that national markets for favoured company or industry. such products as telecommuni- but the dilemma is likely to cations and heavy electrical recur if the Government intends equipment are still segmented. to play a more active role in

Irish unity and prosperity

MR. CHARLES HAUGHEY, the parties concerned on restoring Irish Prime Minister, has been a degree of devolved governunderstandably but wrongly susment to the Province—has pected of undue sympathies failed. That is not yet the case. towards the Provisional IRA Moreover, even if there is no and its supporters in the U.S. ever since he took office last December. The suspicions go back to his past rather than his recent actions.

Mr. Haughey appears to understand as well as anyone that the main threat posed by the IRA is not to Great Britain nor even to Northern Ireland. but to the Irish Republic itself. In the UK the threat has been shown to be containable, though at a price. Yet if the IRA were to turn its guns on Dublin, as to some extent it has already done by the repeated bank robberies, the prosperity and even the stability of the Republic would be at risk.

It is for that reason that Mr. Haughey has agreed to improvements in Anglo-Irish co-operation on security since he took office. Not only has he gone out of his way to show that he is not soft on terrorism; he also believes that he has established a working relationship with Mrs. Margaret Thatcher, the British Prime Minister.

Nevertheless, the suspicions of his motives have lingered, not least within Irish politics. That is why Mr. Haughey was obliged to make a speech yesterday denouncing the more extreme Irish-American organiwhich have given succour to the IRA. denunciation has now been It should be enough to prove the point that he is interested in pursuing Irish unity only by

peaceful means. Yet for the British, and even rub. It is not that Irish unity is still the aim: less could It is rather that he seems to he seeking too much, too fast, misinterpret British intentions,

Mr. Haughey appears to have British initiative on Northern possible to encourage closer Ircland-the holding of further consultations with the political Dublin and Belfast.

الوليات والشيادة والمروازية والمراوزة المراوزة المراوزة

agreement between the parties, the British Government will still have the option of imposing a solution in the hope that the parties will agree to co-operate later. Such a course might well be preferable to continuing the political sterility of direct rule. Mr. Haughey would do better encourage these consultations

while there is still a chance. There is, besides, no reason why a measure of devolution for Northern Ireland should be incompatible with the sort of wider solutions he is now talking about, whether federation or confederation. On the contrary. giving the Northern Irish a say in their own local politics could be seen as a necessary first step to a broader agreement.

Mr. Haughey also appears to of duty. Aleady busy working have convinced himself that the on the price increase. Horsley British economic withdrawal from Northern Ireland has begun. That is sheer wishful thinking, as the British decision to pump another £42.5m. into Harland and Wolff must illustrate. There is no question, either now or in the foresecable future, of economic abandonment of the Province; nor, as it happens, is the Republic in any position to take over the responsibility.

Mr. Haughey spoke yesterday of the twin aims of the "unity and prosperity" of the Irish made in no uncertain terms. people. It may be that you cannot have one without the other; the lack of unity undermines the prosperity-on both sides of the border. That is why he is right to stress the more so for the Protestant importance of Anglo-Irish co-Northern Irish, there lies the operation. But the transformation is not going to come about overnight. The Irish Prime hardly be expected from the Minister would be better party that Mr. Haughey leads, advised to pursue the cooperation quietly and not to The British Government, for its convinced himself that the latest part, should do everything

relations between

The minefields at the Isle of Grain

By JOHN LLOYD, Labour Correspondent

THE TUC PROPOSALS

The main proposals endorsed by the General Council are:

Immediate talks to begin between the CEGB, the GMWU and

the insulation contractors on productivity arrangements which will "farmonise" with those for other skilled workers.

On agreement on these arrangements, most of the lagging work

will be awarded to an insulation contractor employing GMWU members. Other insulation work handled by mechanical contractors will be paid under the insulation contractors' national agree-

● GMWU laggers formerly employed on the Isle of Grain will

have first offer of work. Thereafter, any GMWU qualified lagger

tions." and any further disagreement may be referred to the TUC.

ciple was created. The craft Mr. Tom Jackson, general sec-

ns will co-operate in a "smooth transition of oper

lagging conciling principle with neces-ed. sity. Led by Mr. Len Murray.

"harmonisation" of

TUC general secretary and

Office) Workers, it has pushed

rates-the payment of roughly

equivalent rates for roughly

equivalent work — under

common site agreement.

are "harmonised" or not.

differentials.

must be moved.

presents the Labour movement with a most serious problem. It is all the intractable for being rooted in the complex realities ended "bonuses possible under out by the CEGB, supported by struction sites.

rock of the dispute, for it is Contractors Association. from them that it has arisen The unfinished laggin must be found. The discovery of that solution will be un-dramatic, yet of exceptional importance for both industry and unions.

It will be undramatic because it will be slow. The flash points confrontation - between pickets and workers at the site in May, or between union leaders at the TUC's general council last Wednesday-have been counterpointed by numberless hours of grinding negotiations in the offices of the unions concerned, or the Central Electricity Generating Board (the client) or the TUC.

Even now, after the general council has made firm recommendations which will be flouted by dissenting unions on peril of suspension, the wheels will continue to grind slowly. The TUC has, so far, proposed a solution under its Rule 12 (see table for details). The construction and engineering sections of the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union, together representing about 1.7m members, have refused to accept the proposals. whether or not to invoke Rule 13, under which unions may be suspended-but it cannot do that until general council meets

again at the end of August. Since the next congress is only a week after the council's unions which organise about 70 retary of the Union of Comconsider it almost an impossibility that the lengthy procewhich rule 13 stipulates should be exhausted in that time, and suspension implemented.

The Isle of Grain is thus unlikely to provide high drama for the TUC Congress. Yet although the issue is constructed of a that enshrined in the Bridlingtangled skein of national and ton Agreement (so called after local agreements, trade union the location of the TUC's Condemarcation lines and bonus gress in 1939), which is dedifferentials, its history has signed to minimise inter-union thrown up two fundamental areas of conflict-one surround- most ing what is seen as a basic membership recruitment.

Two unions are in peril of suspension if they flout the TUC

trade union principle, the other about what is seen as an indusmental question, therefore, is: principle meets necessity, which one bends?

Last October, 27 thermal insulation engineers, or laggers, members of the General and Workers' Union (which holds a monopoly on lagging work in England) were suspended by the CEGB from work on the Isle of Grain after

accustomed, there as elsewhere. principle. to earning the high, "openof labour relations on big con- the agreement signed in the

and in them that a solution acted as a bottleneck on other work. The TUC's first attempts to mediate in March and April failed because its proposals continued to allow the payment of than to other skilled men. the other craft unions would countenance.

On April 21, the CEGB suspended work on units 4 and 5 of the five-unit site, with the loss of 600 of the 2,000 jobs. Further, it said it would close with only one unit (unit 2)

operational, unless

other TUC union.

work could be restarted.

Here, the first issue of prin-

the construction and engineer-

ing sections of the AUEW, and

the EPTU — agreed to supply

laggers in place of the GMWU men: in short, to take over work

traditionally reserved for an-

The principle breached by

the AUEW and the EPTU is

disputes over that potentially

At the core of Bridlington is

the principle restated and up-

dated as recently as last year's

Congress, that "no union shall

commence organising activities

another union has the majority

of workers employed and nego-

tiates wages and conditions, un-

less by arrangement with that

breached: it was smashed wide

open when, on May 21. Mr. John

Baldwin, general secretary of

the construction section of the

AUEW and Mr. Eric Hammond,

an EPTU executive councillor.

jeering GMWU pickets in to the

The two unions did so be-

The principle was not only

disputatious ground.

THE Isle of Grain dispute refusing to accept a bonus rate cause, as they have since concommon to other craft workers. tinually argued, they recognised The Grain laggers were the necessity which opposes the

> The necessity has been spelt the other large site clients and in wage and bonus levels on The unfinished lagging soon construction sites as the major step to improved industrial relations and thus to improve the disastrously low levels of productivity for which these sites are notorious. To achieve that. higher bonuses to the laggers there must be agreement from all workers on a common wages which neither the CEGB nor and bonus structure. One renegade group outside destroys all. The CEGB has repeatedly said that if it doesn't get such agreement on Grain, it will close the site. The AUEW and

> the EPTU believe it. Further, it said it would close
> the station completely by June,
>
> Between these two opposing
> poles, the TUC has moved—its mediation aimed always at re-

But where would they go? The AUEW, which organises many of them, will not at early 1970s between the GMWU by the engineering employers, ant have first claim on any These realities are the bed- and the Thermal Insulation It is the need to achieve order vacancies. If they leave, says

> In the 12 years since large productivity deals.

However, as the CEGB put it the GMWU into accepting supervisory morale ...

Two reports-by the Commit-The CEGB maintains that this is not enough. It objects to the clause in the TUC proposals which stipulates that the laggers be re-employed under the thermal insulation agreement. whether the bonus rates wants them covered by the mechanical contractors' agreement, under which the replacement laggers already work. The other craft unions, whose members work under the terms of claims on site, would continue. the mechanical agreement, take They have. On Grain, where Plant Contractors Association; at any establishment or under- the same line: they want to

taking in respect of any grade guard against any possibility of Yet harmonisation is a long step for the GMWU to take, and one it may yet prove difficult to sell to its members. The TUC believes it has done well and is angry with the CEGB for refusing to accept the proposals. But

it cannot, in whatever it proposes, legalise the poaching of work belonging by custom to other unions. It must get the GMWU men back on the jobthe corollary of which is that trial action has pushed up the the 60-80 replacement laggers cost of the Isle of Grain station

present have them moved. They cannot be redeployed elsewhere on the site, because other workers recently made redund-Mr. Baldwin, lagging will stop: if it stops, the station will be closed.

large construction sites.

the scope for "leapfrogging"

or grades of workers in which a return to the old, high, bonus past decade, bonuses have Construction Committee for the the squeeze. past decade, bonuses have Construction Committee for the the squeeze. Ultimately, it reached 400 per cent of the basic unions. At present the first two seems likely that both will have wage-so that where, in 1979, of these are finalising a draft the basic rate was £1.77 p an of the first national site agreehour, bonuses for laggers could ment, in consultation with the bring gross hourly earnings to major clients. That draft will around £9. while other workers be formally presented to the of course would provoke furmight make £4 or £5 an hour.

Such imponderables are in

the minds of TUC officials and senior trade union leaders who must squeeze and stretch the proposals once more, in further attempts to accommodate the two contradictory issues and yet keep the site open. As they do so, they will have to bear in mind a further intiative, closely linked to Grain: the tortuous negotiations, now reaching their climax after many years, to secure a national agreement for

construction sites became an problem, little has changed for the main clientsthe CEGB and the large oil and chemical companies—except for the worse. The clients tend to focus much of the blame on the bonus system which, unlike the basic rates and conditions, are negotiated locally. Site shop stewards, who negotiate these local deals, have seen their power grow, especially during government pay policies where national officials had to take what they were given while stewards got what they could take, in exchange for so-called

in its evidence earlier this month to the Commons Select Committee on Energy which is investigating Grain: "Few of these deals have been accompanied by a corresponding improvement in performance, as measured by work study techniques. This has led to the erosion and even reversal of contractors' staff salary differentials with consequent loss of

tee of Enquiry into delays in commissioning CEGB power stations (1969) and a National Economic Development Office committee on large sites (1970) -recommended that a large site agreement, common to all unions containing a high basic wage and as low as possible a bonus (no more than 30 per cent of basic), should be concluded. Without it, the proliferation of bonuses and differentials, and

hours lost through industrial place in August. disputes during the past nine years, perhaps as many as half were lost over bonus claims. The CEGB estimates that indussince 1970 by £64m—though

Committee and committee in the second Laggers picket the Isle of Grain, inflation has wreaked much ment negotiated in January and worse havoc, adding £271.6m to June respectively, have set an hourly rate of £2.200 However. the 1970 estimated price of the electricians, who presently In 1976, the NEDO produced "horror" report, showing bargain separately but who will be in the scope of the national agreement, won £2.70 an bour average productivity levels in UK sites lower than in other

Financial Times Monday July 28 1980

this is the level to which all must be raised from its inaugural date of Jamiary, 1981. The major gains here are seen to be first, a common settlement date for all workers and second, a higher basic rate. aimed at curbing pressure for a plethora of bonuses.

thus all unions will demand that

advanced countries, and project

times in some cases twice as

long. The causes were complex:

they could not simply be

reduced to had site practice. As

the NEDO report noted: "Though the symptoms mani-

fested themselves most dramatically during the construction phase of the projects, it should not be assumed that

the origin of the problem

necessarily lay in the construc-

tion phase rather than in the

earlier phases of project defini-

tion, engineering and procure-

Thereafter, serious attempts

were made to move towards a

rationalisation of wages, bonuses

The dispute involves

two fundamental

areas of conflict

and conditions. They were

impeded for some time by the

failure of the two groups of

employers—the mechanical con-

Engineering Employers' Federa-

The unions are certain to

the two main agreements—the

Oil and Chemical Plants Agree-

ment.

to emerge.

Second, the draft agreementwill propose a national joint council, bringing together all employers and unions to deter-mine wages and conditions for all trades. The national struc-ture will be complemented at site level, by project joint councils, which will administer supplementary site agreements—though; crucially these will be subject to ratification by the national councils. The aim, clearly enough, is to control both basic wage and bonus rates as completely as possible by giving power back to the unious' national officials, thereby cutting off the potential for leap-

In this agreement as at Grain, there must be no exceptions. And here too, as at Grain, insulation work has been employers—the mechanical con-tractors, and the oil and is that the CMWU has been chemical plant contractors—to able to get high bonuses for agree. But by the beginning of its members, while the thermal 1979, agreed ground rules began insulation contractors have been, able to pass on the high labour The three main bodies con- costs to the clients. It has thus cerned with the talks are the suited both sides: however the other contractors, the clients tion, for the mechanical con- and the craft unions are now tractors; the Oil and Chemical ganging up on them.

frogging at source.

They have. On Grain, where Plant Contractors Association; Both the insulation contractors has spanned much of the and the National Engineering for and the GMWU are feeling to come in, or watch as Grain other unions and other contractors doing their work. That unions at the end of this month, ther bitter interunion conflict, Further, of the 2.1m man and negotiations should take possibly worse than has already

> These are the minefields, demand that the draft sets a local and national, through common basic rate. This year, which the TUC must pick its way in the weeks and months The possibility of a ment and the Mechanical Con- false step, and a coasequent exstruction Engineering Agree plosion, must be rated as high.

Grain site.

Second round for Horsley

When Maxwell Joseph creamed off John Travers Clarke to tend Grand Metro-

politan's hotel and catering affairs, he also deprived the Dairy Trade Federation of its president at a most delicate moment. With the dead hand Name game of the Common Agricultural Policy weighing down on the British dairy business, doorstep milk sales falling faster than ever and federation members bidding in Whitehall for an extra 13p on the price of a pint, experienced negotiators not be happily spared.

Into the breach, then, steps the pugnacious young chairman of Northern Foods, Nicholas Horsley, 46, for his second tour is in little doubt about the industry's

difficulties. An unwavering opponent of the CAP, he recently argued that Britain should force reform or quit the Community. Now he is attacking the latest manifesta-tion of teh ineqity of Brussels thinking, increased levies on milk producers. "Brtain is not self-sufficient in milk products," he tells me, "but look at them preventing us from producing

Even though the whole of the food processing and distribution industry, through myriad representative bodies, tells many a similar tale of woe, Horsley is convinced there is no danger of his voice being lost in the clamour. The federation, his argument runs, is so highly specialised within a sector which absorbs 20 per that it has a role more precise than that of a mere mouthpiece for milkmen's complaints.

At home, where milk is such

new president finds himself in happy position of having privileged access to the Ministerial ear. No surprise, then for him to admit that up Northern Foods, "the DTF

is the only food association we

take seriously.'

The Transport and Road Research Laboratory has sent me a report which concludes that strict speed limits tend to reduce accidents. It is based partly on a study of male drivers' attitudes to the accelera-tor pedal penned by the labora-tory's very own Mr. R. Hogg.

Lords a-leaving

Any lingering worries over the diplomatic stumble caused Mexican President Jose opez Portillo to sidestep Britain on his recent tour of Europe should be properly soothed away this week.

Escaping from the slugging match over the Opposition's nohope no-confidence motion, Secretary Lord Carrington sets off tomorrow en mission to the most influential and biggest-spending countries in Latin America: Mexico, Brazil and Venezuela. And while it is not uncommon for senior comers on the straight and ministers to trail groups of narrow path to success with trips, the Foreign Office is hoping that the touchy Mexican President will be suitably impressed by the quality of the business dignatories in this particular touring party.

Heavily weighted with representatives of the UK engineercent of the whole EEC budget, ing industry, the caravan fession from Astra Industrial's includes Sir John Buckley from the Davy Corporation. Michael week, I was delighted to learn Caine of Booker McConnell. of yet another "Telford's Babcock and Wilcox chairman Change" which has yielded not a prominent item in the retail Sir John King. Also travelling only spiritual satisfaction, but, prices index, and where the are five assorted Lords, namely with luck, also rather more than

Lord Nelson. Lord Limerick News of the World deputy from the British Overseas Trade editor, Michael Gabbert ground — the chairman of the Hispanic and Luzo Brazilian formed Council, Lord Montgomery.

Pizza champion

As the kind of chap anxious to enjoy the continuing use of all my limbs, I am drawn with some reluctance to touch on the somewhat murky fringes of the British pizza industry. I am British pizza industry. emboldened, however, by the example of Pat Simpson, chairman of the The Pizza Association, who speaks out against the activities of "a small minority who for one reason or another bring the industry into disre-

Simpson tells me he feesl it necessary to take a stand because recent Press comment "might give the impression that the pizza industry as a whole is rife with undesirable elements." Staunchly defending the great majority of companies involved. he is particularly concerned about two outfits: one whose resources might not, he feels, be equal to the promises it makes to its customers, and another which, he fears, may have connections with less-than-

blue-chip American interests. The Association, be vows, will uphold the best possible standards of integrity within the industry," and to help kep new-"commercial travellers" on such cheese, tomato and pasty, offers to "advise all individuals and companies who are intending entering the pizza industry."

Pastures new

After taking a mid-life conchairman Dennis Dukes last federation negotiates politically Jellicoe from Tate and Lyle. £1m. Motoring down to Cobsensitive prices and margins Greenhill from BAT. GEC's bam, I encountered former

ensconed in 144 acres of greenhelt Surrey which he has trans from impenetrable forest into the Silvermere Golf

and Country Club.

Despite what one might imagine from Garbett's former career. I detected not a whiff of the low life. From the patio of the clubhouse, the panorama takes in a nine-acre lake, golf course, stables for 50 horses, and other essentials of Surrey life. But while its expansive elegance might seem a pleasant plac to while away the sunset years. Cabbert has not entirely left the Fleet Street work ethic behind him. "It's like writing for a newspaper. As soon as you've done something, it's finished. I've produced this, and I want something else," he tells

Cabbert started work Silvermere in 1974 when an "estrangement" from Rupert Murdoch led to a parting of ways between himself and the Sun King. He bought the site with money accumulated from small-scale property dealings during his newspaper years for a fraction of the £1.5m he is now asking. Among the perks fo rthe buyer are the tree which was George Blake's dead letter box, and a payphone once used by Princess Ame. Once the sale is settled, he says, he will be packing his bags for two further sites in Berkshire and Sussex, where his energetically green fingers will once more be put to work.

Fat head

From a Leicestershire school magazine: "Miss - said that last year the senior girls' cookery class won high praise for their lifelike bust of Mr. Callaghan in lard. They were anxious to make another model this year but as yet they had not chosen a subject of suitable material."

Observer

How much would you pay to give a lost little girl a start in life?

Susie (that's not her real name) attends one of the special day care future is at risk. As little as \$2 could help her. She is 31/2, the child of a broken marriage, with a violent father. When first she came to us, she was so lost didn't even know how to play.

smile, she enjoys painting, and she's building up confidence in herself so that as she gets older, she may be able: to relate properly to others. Susie's tragic story is typical. Little children like her, defenceless. bewildered products of our confused society are the ones most likely to end up delinquent, making a mess of their

Now, she's beginning to talk and

own lives, and their own children's At Dr. Barnardo's, we run day care centres with trained and dedicated helpers for these children. And, of course, we run residential homes and schools for children-but we are always concerned to try and keep children and parents together. Our help has no limits, but our money does. Skilled help like this costs a lot—though in the end

in later years Won't you send what you can afford today? For only 22 you can boy a set of painte. For \$10 we can boy a send-tray—and little sids like this help so much. For \$100 we can feed a child for a whole year at the centre. Every-

it can not only give Susie a start in

life, but also save society a great deel



Our children's identities are never reveal so as to spare distressing publicity.

thing helps. And it helps even more if you covered to pay regularly. That AL you give is worth \$1.43 Not a pereny is wasted, because we are very carefu with the money we get, and many fine heipers do voluntary work for us.

Please send what you can now. Your caring will reach out all the way to Susie, and all the 9,000 other children sozrefor, thanks to your help.

ODrBarnardos Dr. Barnardo's, Tanners Lane,

liford, Essex IG6 1QG.

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To: Micholas Lowe, Appeals Director, Room 803

quency).

Competition hots up in UK aviation

HE BATTLE for traffic on the onto the route—as many people and on Hong Kong air route, in the UK airline industry now bich becomes fiercer this week believe it will—it will offer up hen British Caledonian Joins to seven DC-10 jets each way is more than lust a struggle weekly (unless the Hong Kong weekly (unless the Hong Kong authorities cut down that freween eirlines.

li reflects a fundamental ange in UK civil aviation olicy. And it could be the gether by the end of this year rerunner of similar develop could be offering a total of

nounced yesterday by British rways, is another indication lat a new and bitter perodi of alantic air route this autumn

For the immediate future, For the immediate future, wever, interest will focus on by the Hong Kong struggle files. British Caledonian, with air DC-10 jets each way beldy, will be joining British irways, which has seven being 747 Jumbo weekly ghts each way, and Cathay acific, the Hong Kong-based rline, which began flights to ondon on June 17, with three imbo jets each way every mbo jets each way every

A fourth airline, Laker irways, also intends to join Although recently ven a UK licence for the inte by Mr. John Nort, Secrery for Trade, along with nitish Caledonian and Cathay acific, Laker alone does not a have the equally necessary ermit from the Hong Kong overnment. It had applied a one, along with B. Cal and athay, last year, but was jected. Now, in the light of r. Nott's ruling, it has applied min, and hopes for a decision fore the end of this year from e Hong Kong Air Transport icensing Authority. The athority will want Laker to ake a good case for its cheap re plans before issuing a

ents—such as the introduction 775.000 seats a year in both more competition on Euro directions. This compares an short-haul routes—in the with 210,000 passengers on the surge of cheap air fares year 1979.80, and an estimate a the North Atlantic air route of some 250,000, or about 20

per cent more, for the current 1980-81 financial year. at a new and bitter perodi of . It is clear, therefore, that impettion is about to open on even allowing for an increase in e already overcrowded North traffic as a result of the competitive cheap-fare policies all he airlines are adopting (see the accompanying table), there will still be far too many seats chasing too few passengers on the route for some considerable

Thus, the four airlines to-

Even though some of the empty seats may be filled with "sector traffic"—Cathay has rights between Hong Kong and Bahrain, while British Caledonian has asked for traffi rights from both London and Hong Kong to Dubai, Sharjah, Abu Dhabi and Bahrain—it seems clear that some substantial cash losses are likely, at least initially.

Why then, at a time of economic recession in the world air transport industry, do these airlines want to compete what in any other business might be regarded as a licence to lose money?

There are several reasons. The first is that the licences will in the next two to three years. do the same on the Hong Kong prosperity returns.

B. Cal, Cathay and Laker

believe that they can generate the prospects for business traffic work of other services radiating if Laker Airways finally gets new tourist traffic by their low-

LONDON—HONG KONG COMPARATIVE FARES* (Applicable August 1980)

		Period	British Airways £	Cathay Pacific £	B. Cal.
First Sleeper Standard	6₩ 6₩		1,000	1,124 1,012	1,100 1,000
Executive/Club/Full Economy	ΦW		558	558	558
Executive Point-to-Point	W		_		450
	<u>rt</u>				850
Excursion	_ rt		650		
Economy Point-to-Point	OW.		440	444	370
	_ rt				- 650
Economy Residents	ow			370	_
Bottom Dollar Advance	ow.	Basic	175	177	175
Purchase/APEX .		Peak	204	204	204
	rŧ	Basic	330	-	330
		Peak	408		408
Bottom Dollar Late Purchase/ APEX Mid Week	ow.			151	151
Bargain Hunter	QW	Basic	99		
		Peak	115	-	_
·	·rt	Basic	250		_
		Peak	280	<u></u>	
Standby	0 W	Basic	_	-	99
		Peak	_	-	115

fare policies. British Airways route are considerable, if unis more sceptical, but there is quantifiable at this time. no doubt that Sir Freddie Laker. for example, has already more than proved his point about "the forgotten men and women at the bottom end of the Kong route for 30 years, has market" by the success of his needed the sharp stimulus of cheap-fare Skytrain on the competition to improve North Atlantic.

Even at a time of recession, increasingly criticised for such when other airlines are losing things as delays and poor in-money, Sir Freddle is reported flight passenger service. Even at a time of recession, run for many years. All the air- to be making money this lines are convinced the cur-summer on the Atlantic Skyrent recession is cyclical, and trains to New York, Los Angeles that better times will be here and Miami. He believes he can

In the view of many travellers to and from Hong Kong. British Airways, which has had the monopoly of the London-Hong

standards, which have been

Cathay Pacific, as Hong Kong's "local" airline (It is jointly owned—60 per cent by Swire Pacific, 25 per cent by the Hong Kong and Shanghai They feel that losses incurred run.

Banking Corporation, and now will be more than Moreover, with the antici- British Airways holds the other adequately recouped later on as pated growth of long-term trade 15 per cent), believes it can tap prosperity returns.

pated growth of long-term trade 15 per cent), believes it can tap with China—virtually an unnot only its home market, but tapped market for the West- also draw traffic from its big net-

Laker are looking even further world Skytrain. ahead beyond the possibility of The two major UK indepen- publish from time to time its pean short-haul routes may also any profits that might accrue dent airlines are being en own "statments of intent." now be ended. For Mr. Nott on the Hong Kong route alone. couraged in their expansionist Already, in anticipation of the must soon make up his mind Civil Aviation Act becoming by the new attitude to Civil Aviation Act becoming whether to allow appeals by interested in widening their civil aviation prevailing in the law, it is seeking the views of British Caledonian and Laker activities and breaking out of Conservative Government. As the airlines on what its first against the earlier rejection by constraints that have been imposed upon them and other bring more private enterprise tain. British independent airlines by

The old "spheres of interest" philosophy, introduced by the Labour Government several years ago, which limited British Caledonian scheduled services to West Africa, South America and a few European routes, has been steadily eroded.

B. Cal has progressively expanded into the U.S., with services to St. Louis, Houston and Atlanta, with fights starting next spring into Dallas/Fort Worth, and applications for fights to Minneapolis, St. Paul and San Juan, Puerto Rico.

Laker fought and won a bitter battle against the UK Govern-ment to get the Skytrain launched to New York, and has subsequently extended it to include Los Angeles and Miami, while the airline has also applied for Skytrain flights to other major U.S. cities, such as Baltimore and Detroit.

Laker has also now asked for Skytrain rights to Australia, where it believes a big market exists that has not yet been tapped even by the cheap fares introduced mor than 18 months ago by British Airways and Qantas.

British Caledonian sees the Hong Kong route not only as a long-term profit maker in its own right, but also as a launching base for other services into the Far East and south-east Asia, such as Bangkok, Taipei not too distant future.

Laker sees Hong Kong as a should do in r profitable venture, but also as fares matters. another link in Sir Freddie's

But British Caledonian and dream of an eventual round-the-Authority to make up its own. British Airways' monopoly of aker are looking even further world Skytrain. Mind on such policies, and to UK-flag services on many Euro-

part of its overall ambition to policy statement might coninto hitherto highly regulated

transport policy.

Mr. Nott has already made it clear that he is opposed to the present system of tightly-regulated international civil aviation. He believes that "a more liberal market environment" would enable the airlines to offer a variety of services at prices satisfying all sections of

the community. Mr. Nott is perhaps not yet ready to go as far as the U.S.

The Authority passed a delicate political issue to Mr. Nott

in the sphere of "total de-regulation"—there are formidable international difficulties in the way, with many foreign governments hostile to such views. But he has nevertheless taken a big step forward, by overturning the UK Civil Aviation Authority's earlier rejection of Cathay Pacific and Laker on the Hong Kong route. and thereby substantially boosting competition on that route.

release the Civil Aviation and Manila. B. Cal may also from the old concept of Govern- Kong route to competition but bid for rights to Australia in the ment-defined "guidelines" as to also by planning eventually to what the Authority could and should do in route licensing and In future, it will be up to the the State airline.

But at the same time, it has out of Gatwick to the successive UK governments over industries, and to stimulate given some idea of the broad Continent the years.

competition wherever it can, the thrust of its policies. The The auth Authority intends to be evolu- bids on the grounds that to Government is planning a pro-gressive liberalisation of air tionary rather than revolutionary. It will avoid any arbitrary restructuring of routes -it will not take them away from one airline and give them of a second British airline on a to another - for it believes route hitherto reserved for one that to do so would be conducive to efficiency.

But it will not be afraid to

introduce competition between UK airlines on routes where this is allowed under inter-national agreement or where it would improve the customers' choice of air services. Nor will it reserve any particular type of operation (scheduled, charter or low-fare) for any one arrline or class of airline-Stateowned or private — but will encourage all airlines to allocate their resources flexibly between different types of operation, in line with the development of the market.

All this still has to be spelled out in detail. But in the broad concept the independent airlines see the chance of unprecedented route expansionthe chance to grow and become more profitable.

British Airways, as the Stateowned carrier, frequently with a monopoly of UK services on many short-haul and long-haul He is ready now to go even further. Under the Civil Aviation Act, now before Parliament, Mr. Nott is planning to There is little doubt that not only by throwing open the Hong Kong route to competition but sell up to 49 per cent of British investors; Mr. Nott has shaken

the Civil Aviation Authority of their bids for many new routes

The authority threw out those approve them would create problems with foreign govern-ments, which (it believed) would resent the introduction airline only from each country. The authority thus passed what it thought was a delicate political issue over to Mr. Nott.

If he grasps it, and upholds B.Cal's and Laker's European appeals, he will be giving himself and his Department a tough time in negotiations with resentful European govern-ments, which have already made it clear that they do not support many of the UK indepen-dent airlines' ideas on cheap fares. The foreign airlines will be bound to say that if the UK wants to split its share of the traffic on any given route between two British airlines, that is its business, but that in no way will the UK be allowed to take traffic away foreign-based from the operators involved.

The independents see in the European appeals case the logical extension of the competitive philosophy already expounded by Mr. Nott in the Hong Kong route affair. Whether Mr. Nott sees it in the same way remains to be proved.

But there is no doubt in the minds of most people in the UK air transport industry that by his actions concerning the Hong Kong route, he has opened greater competition in UK civil aviation.

Development aid

com Mr. M. Seligman, MEP Sir.—The letter from the rector general of the ganisation of Petroleum Exorting Countries Fund for Development ternational uly 22), is an interesting itistical explanation of the nerosity of some OPEC states aiding less developed untries (LDCS) and may leave

aders with the superficial imession that the industrialised irid lacks generosity. Mr. Shibata forgets two vantages, which give some PEC states greater ability to mor states have small popula-

ons with very high roductivity, since oil has a proaction cost of \$1 per barrel nd a selling price of \$30 per arrel. The principal donor ates have different political ed social systems from those industrialised countries: ieir political leaders are less countable to their people for ie aid appropriations to LDCs ian parliamentarians in the inustrialised countries.

Mr. Shihata might find that he European Community apcorriated more funds as a ercentage of GNP, than other dustrialised nations, within is unique partnership in the lome Convention with its 56 DCs and its association with Mashren and Magreb States. Nor does the European Com-I munity discriminate between

n the distribution of aid. Given that the European Comnumity already enjoys this pecial relationship with the DCs and other Islamic states, think Mr. Shibata would agree hat the time is ripe to bring ogether the financial strengths if the OPEC states and the techpological and managerial trengths of firms in the Euromanagerial year Community, in order to reate new markets in the LDCs nd to provide new skills for peoples on a scale which heir peoples on a seasonald transform their economies. We should be mainly concerned with the creation of the right plifical and institutional framefork to bring this about.

European Parliament), rawley, West Sussex.

Ladron Seligman,

Inland Revenue Sarah J. S. Heywood. 9 Poland Street, W1. reform

Spokesman on Energy for the

ropean Democratic Group, in

from the National Vice-Chairman,

fory Reform Group Sir,—Mr. Newman's remarks July 23) with regard to the pland Revenue's proposals to imputerise the PAYE income system are worthy of Wher comment.

It should be noted that the Mormation report. "PAYE-assible future developments." thich forms the cornerstone of he Inland Revenue approach computerisation, was prob review and suggest improve- well manufacture d Revenue. This would be various importers impose such stand Revenue. This would be various imported UK politi-tered practice for a potential a low ceiling, and the UK politi-tered practice for a potential a low ceiling, and the UK politi-tered practice for a potential a low ceiling, and the UK politi-cal and economic background apparer user in industry. Why such outside advice not such a high floor, that profits

Letters to the Editor sought by the Inland Revenue for UK mills have no space in aim of ensuring the highest posin view of the size of the pro- which to stand up.

in view of the size of the pro- which to stand up.
posed investment?

Again, we entire PAYE system as it stands now. shortly before his retirement Accounts Committee that it was unlikely that the proposed system, even when fully imple— We accept that paper and mented, would be capable of board industries in other countries.

the latter refinement. No bard evidence was produced to support the Inland Revenue view that such changes would be unwelcome to taxpayers, and it is obvious that wider public debate of these issues must take place. It would be uncharitable to

suggest that the disinclination for change stems from a desire to maintain present staffing levels. While the burden of administering the tax system. whether by manual or mechanical means, remains with the Inland Revenue, the scope for reducing manpower is limited.

The Inland Revenue suggests that conversion to a computerised system will take at least four years. Given the will, there is no reason why the system should not be in place within a matter of months. Trial runs would be required slamic and non-Islamic states first of course, but once the teething problems of conversion were isolated and overcome, the way would be clear for wholesale conversion.

The managing director of a time-sharing bureau has stated that to demonstrate the ease of conversion he is willing to computerise one tax office free. His estimate of the time Two-three months, and that is for a first attempt!

The Government is pledged bring simplicity and corsistency to the tax system. Moves to achieve these aims be welcomed by the majority of taxpayers. It would be a logical extension of this pledge if the Government were to issue a Green Paper on the reform of the tax system prior to permitting the Inland Revenue to embark on a major programme with such farreaching consequences for fiscal policy in the next 20 years.

Papermaking problems

From the President, British Paper and Board, Industry Federation. Sir,-Mr. Baldwin, the president of the Paper Agents' Asso-

ciation, makes some very fair points in his letter of July 24. The UK paper and board industry cannot indeed manufacture all the paper and board required by UK consumers: niced by the central division what too often causes us conthe Inland Revenue. It cern is that grades of paper and Spears that outside consultants board are imported here while here not called in at any point UK mills which could perfectly Bents to the existing proce-grades are under-employed. Sures within both the assessment Today we are saying, in additollection divisions of the tion, that prices offered by the

The stated aim of the Inland this industry would gain no ad- of using a simpler and cheaper Revenue is to computerise the vantage whatever by recommending action which might The report demonstrates an further handicap users of paper amazingly negative attitude to and board already suffering Stone House Court, EC3. any change, from simplification from overseas competition themof the existing assessment selves. We have consistently structure, particularly the said, though it has not always abolition of the various been reported, that if there were schedules and basis years, to be any control of imports more radical measures such as it must be exercised selectively self-assessment or local income and in such a way that protectax. In fact, Sir William Pile, tion from imported print, shortly before his retirement packaging and other direct conlast year, advised the Public versions from paper and board is extended to our customers,

tries are aiso sumering the recession and that mills anywhere may be unable to continue. What we deplore is the closure of any mill in this country which could, given the same ground rules as its competitors, continue in efficient operation for many years to

(Dr.) A. I. Lenton, Plough Place, Fetter Lane, EC4.

Telephone needs

From the Managing Director, Teleplan

Sir,-The regarding the relaxation of the telecommunications monopoly raises some questions as to whether the envisaged changes will lead to real advantages to business customers. In the present world, where

technology is advancing rapidly. new communications equipment is continually being announced and much of this has to be linked to existing systems or equipment by rented private circuits. Provision time for such is currently 9 to 15 months in most areas, which makes nonsense of good delivery cycles by outside suppliers. In London, where private circuits are essential for the operation of many markets in the financial and commodity worlds the complete lack of rapid response to requests for circuits makes business growth difficult and means that an office move is totally dependent upon Post Office time scales.

The announcement that there is to be no change in the PABX (large automatic exchanges) supply position perpetuates an anomalous situation. A customer has to purchase the central equipment from an approved supplier, but this is connected to the network by Post Office engineers who also wire up the building, install the telephones and thereafter maintain the whole system. Presumably it will now be permissible to change the telephones once the installation is complete but this will mean paying both the supplier and the Post Office for the same extension and one may easily envisage endless arguments where faults occur as to precisely where the difficulty lies. The only sensible alternative would be for the Post Office to be responsible for external lines only and to permit all internal equipment to be supplied and maintained by out-

been rigidly controlled by the authorities have been required Post Office which has laid down to disclose their accounting equipment specifications which have meant that PABX's in this country are among the most expensive in the world. This has N. P. Hepworth. been done with the laudable 1 Buckingham Place, SW1.

Again, we entirely agree that many would prefer the option David M. Smyth.

Staple Hall.

Council grant system

From the Honorary Secretary, National Federation of Owner-Occupiers' and Oimer Residents' Association.

Sir,--Councillor Nokes's letter (July 24) seems to be typical of the local councillor's attitude at the present time. It is a fact that the Government seeks to change the grant system, purely are incapable of carrying out the correct policies, thus putting the towns and cities in the desperate financial position they are in today. If it is better for the ratepayer

to be under the control of Whitehall civil servants, who are making sure there is no spending of mone unnecessarily, then so be it, we would welcome this, and any other move to help the domestic ratepayer in these difficult times. Councillor Nokes should remind himself and his other thousands of elected councillors, that over the past years their actions in council have brought about the measures now being introduced

Let us be fair Jim Nokes, look back in history and see how the domestic rate has increased through mismanagement.

J. W. Clark. "Paulian," 29 Norview Drive, East Disbury, Manchester.

Local authority accounting

From the Director, Chartered Institute of Public Finance and Accountancy Sir,-On the back page of July 20 you carried a report on the adoption of commercial accountancy standards by local

There has been no dispute about the principle of applying the statements of standard accounting practice (SSAPs) where they are appropriate (in whole or in part) to local government. There has been obviously discussion about the extent of their relevance but that is quite a different matter. The SSAPs were not designed initially for application to local authorities and some entirely inappropriate and cannot apply to local government. Others can be applied with some modification and others can be applied without modi-

fication. I would not agree that the application of SSAPs is a victory for commercial accountants. There is neither victory nor defeat. What there is, is an acknowledgement by all parties that a common approach is desirable.

would dispute the implication in you article that only with the acceptance of SSAPs will local authorities disclose The PABX market has always their accounting policies. Local policies since 1974 under the Accounts and Audit Regulations 1974.

UK: Mr. Norman Fowler. Transport Minister, speaks at Lytham St. Anne's.

International conference on starts three-day official visit to atmospheric electricity opens at Institute of Science and Tech-Parliamentary Business sideration of Lords Amend-Manchester (until August 4).
Micro 'SI opens at the Wem-

bley Conference Centre (until Overseas: Law of the Sea Con-ference stars final negotiating session in Geneva (until August

Mayor of London, starts visit to China (until September 11).

Today's Events

House of Commons: Motions on the Social Security Orders on Benefits Up-Rating, Family four Lords Consolidation Income Supplements. Child Benefit up-rating, Pensioners' Bill, Water (Scotland) Bill, Lump Sum Payment, Married Solicitors (Scotland) Bill, Women and Widows Special Criminal Appeal (Northern Ire-Provisions, and Supplementary land) Bill, and second reading linustries. Inchcape. Provisions Benefit (Resources) and Sir Peter Gadsden, Lord (Requirement) Regulations. House of Lords: Pier and Stone. Woodrow Wyatt Holdings. Harbour Order (Great Yarmouth Interim dividends: Bank Leumi China (until September 11).

President Portillo of Mexico Aggregation, Deductions and Bill, second reading. Health Ser-

vices Bill, Report. Deer Bill, Committee. Select Committee: Treasury and Civil Service, on monetary policy. Witness: Sir Geoffrey Howe, Chancellor of the Exchequer. Room 15, 430 pm. COMPANY MEETINGS See Financial Diary on Page 25.

COMPANY RESULTS Final dividends: Investment Trust. Industries. Incheape. Hampson Provincial

ohn Rrown

Preliminary Announcement of 1980 Results

-SALIENT FEATURES_ 1980 1979 1980 1979 £m £m Per ordinary share Turnover 463 Earnings 13.7p 22.9p* Profit before tax 21 Dividend 4.25p 3.59p* Profit retained 9 Net assets _ 93p 91p* Shareholders funds 92 *adjusted for share split and scrip issue

Points from the Chairman's Statement

The year was a difficult one, marked by recession worldwide, an overvalued pound, a renewed upsurge of United Kingdom inflation and two major national industrial disputes.

Throughout the year and in the months since it ended, we have taken steps to deal with the conditions with some encouraging degree of success. From the bulk of our employees there has been a realistic and constructive approach to wage and salary bargaining and to programmes to improve efficiency.

We have marketed aggressively and maintained a constant pressure on measures to enhance our competitiveness. Sadly this has involved further rationalisation of United Kingdom manufacturing resources with the loss of some jobs.

During the year we completed the acquisition of Leesona Corporation and since then have been greatly encouraged by the contribution this new member of the group is making already to the management and profitability of John Brown.

Our healthy gearing gives us operational flexibility in great depth, an invaluable strength in today's trying circumstances. We are better able to fund the effects of inflation upon our working capital, we can adopt aggressive pricing policies when required and, to a greater extent than many, we can afford from time to time to carry volumes of stocks sufficient to maintain more stable and therefore efficient levels of production and employment.

The Company is now in a significantly stronger strategic position than it was 12-18 months ago, notably as a consequent of real progress towards solving some of the long standing problems of the machine tool division, from the successfulacquisition of Leesona and, despite its current difficulties, from the greater underlying strength of the gas turbine business deriving from the introduction soon of two new models.

In the current financial year almost certainly there will be a further substantial drop in the profits from gas turbines, there may well be a further decline in the performance from process engineering and construction; elsewhere in the group order books are down and profits will fall. On the other hand, we now have Leesona which, despite the recession in the United States, still expects to make a useful net contribution to our profit and machine tools may do better this year. We are not hoping for any significant growth in profits from the group as a whole but we do not expect as yet any significant decline. This preliminary view of the current year depends upon us avoiding any major unforeseen setback and upon reasonable success for the United Kingdom Government's policies. In particular we hope to continue to develop what I believe has been the beginning of a real and beneficial understanding with our employees in the United Kingdom but this will become increasingly difficult if inflation continues at its present rate and if there should be much prolongation of the extravagant pay settlements that we have witnessed around us over the last twelve months or so.

Copies of the Accounts may be obtained from The Secretary, John Brown and Company Limited. 8 The Sanctuary, London, SWIP 3JU, after 8th August, 1980.

Recovery by Burt **Boulton**

increase from £275,900 to £847,500 in the first half, Burt Boulton Holdings, timber and road materials group, produced pre-tax profits of £1.09m in the year ended March 31, 1980, compared with a depressed £13,752

Stated earnings per share have jumped from 2p to 74.1p and a final dividend of 6.5p lifts the total from 7p to 10p per £1 stock unit. The group's parent company, Thomas Roberts (Westminster) has waived the final amounting to £90,729.

The directors say the first few months of the current year showed further progress but while all trading companies are improving their performances, it will not be possible to equal the result of the past year.

	'ear
1979-80	
٤	E
43,106,000	36,032,000
1,090.014	13,752
58,560	30,814
1,148 574	44.568
4,975	867
1,143,599	43,699
12,250	12,250
45,093	_
61.923	66,656
5,653,816	4.637,710
	£ 43,106,000 1,090,014 58,560 1,148,574 4,975 7,143,599 12,250 45,093 61,922

Continental Illinois Limited

Banco Español de Crédito (Banesto)

Banco de Londres y América del Sur

Dresdner Bank Aktiengesellschaft

Continental Illinois National Bank

and Trust Company of Chicago

Tokai Bank Nederland N.V.

Banque de l'Indochine et de Suez

The Sanwa Bank, Limited

Bank of America S.A.E.

Banque Belge Limited/Société Générale

REPORTS TO MEETINGS

Difficult first half seen by Tesco

A DIFFICULT first half in 1980-81 was indicated by Mr. Leslie Porter, chairman of Tesco Stores (Holdings) at the company's annual meeting.

duce, but he warned that it was going to be "a tough year" for the retail side.

Last year trading in the group's Home 'n' Wear sector was disappointing and profits were hit. Mr. Porter said that general trade forecasts in the retail sector were still very dull but he was confident that the group would "fare better than the trade in general."

For the whole group the chairman said that with heavy interest charges and major wage awards in the first balf and the advantage last year of a pre-VAT boom in May-June, he could not forecast "a satisfactory first

However, he remained confident that for the year to February. 1981 the company would begin to reap some of the benefits of enlarged selling capacity. He reaffirmed his fore-cast of higher profits in the current year and said he regarded longer term prospects as "very encouraging" as "very encouraging."
Members were told that the

This assouncement appears as a matter of record only.

E. N. HIDROELECTRICA

DEL RIBAGORZANA, S.A.

US \$75,000,000

Medium Term Loan

The Sanwa Bank, Limited

Dresdner Bank Aktiengesellschaft

Genossenschaftliche Zentralbank AG, Vienna

Lloyds Bank International Limited

London & Midland

Industrials Ltd.

"Further Important Advance"

* Main Activities-Consumer products, Home

Improvement, Fasteners, (distribution and

(specialised and industrial services).

* Answercord in profits and sales.

specialised manufacture) and Engineering

* Dividend increased by 14.8% to 7.75p per

* Strong liquid position and considerable

Head Office: 235 Old Marylebone Road, London NW15QT

resources to support further expansion.

Year to 31st March

Profit before tax

share. (Gross 44.3%).

Ordinary dividend

Sales

Lloyds Bank International Limited

Bank of America International Group

Dai-Ichi Kangyo Bank

Nederland N.V.

Continental Bank S.A. N.V.

Banco Español de Crédito (Banesto)

Société Générale de Banque S.A.

Bank of Ireland

Dai-Ichi Kangyo Bank Nederland N.V.

Société Générale de Banque en Espagne

The Chase Manhattan Bank, N.A.

1980

36,213 20,399

£'000's

3,449

C.M. Beddow. Chairman

1979

£'0003

2,129

6.75p

special)

BOARD N	AEETINGS
noanies have notified	FUTURE DATES
setings to the Stock	Bath and Portland

The following con Mr. Porter said that most departments were still trading dividends. Official indications are not available as to whether dividends are dure but he warmed that it interims of finals and the sub-divisions shown below are based mainly on last

year's (imemole	Late washingto	
TODAY	Refuge Assurance	Aug. 28
Interims: Bank Leumi (UK), CSC Investment Trust, Colonial Securities	Witter (Thomas)	July 30
Trust, Temple Bar Investment Trust,	Allen (W. G.)	Aug. 14
U.C. Investments.	Associated Tooling	Aug. 7
Finals: Greaham Investment Trust,	Austin (James) Steel	Aug. 7
Rampson Industries, Inchcape. Provin-	Letraset	
Gial Cottes Trust, Ward and Goldstone,	Stock Conversion & Inv. Tst.	
Woodrow Wyatt.	Wanng and Gillow	
		

group's expansion programme the group's investment proper continued well and three new ties, and would involve some 124 stores would be opened on August 12. These new openings, totalling some 90,000 sq ft, reflected the group's policy of concentrating on the larger type of unit, said Mr. Porter-"they will be the key to our prosperity in the coming years," he added.

To assist in financing the expansion programme the group plans to sell some of its property portfolio, and then lease it back, and apply the proceeds in reduc-ing group borrowings—f62m at the end of the last financial year. Mr. Porter said that this opera-tion would be directed mainly at

bution, continued to develop and expand, and the company was in a stronger position to take advantage of any opportunities which could arise.

Sir Ian Morrow, of UKO International, told members that first quarter profits were marginally less than for the previous year —although results of the catering equipment division had shown an encouraging improve-

First quarter profits at Cham-bertin and Hill were higher than the same period last year, but Mr. J. R. Eades stated that there was clearly going to be a marked deterioration in results for the second half.

Despite a downturn in orders in some of the UK markets it operates in, sales of Westbrick Products were 15 per cent higher than for the same period last year, Mr. J. W. Sutherland said. Mr. N. G. Shove, of Downs Surgical, stated that export sales activities were being further intensified, and he reported con-tinued good figures from Canada yesterday, chairmen reported as

and the U.S. branch. Improvements in group, were ahead of Mr. Maxwell Joseph, efficiency meant that the group was better placed to take advantage of the increase in demand, "when the upturn comes," he He added that the services the

Strike takes toll on **Portsmouth Sunderland**

dispute has left first-quarter tax-Sunderland Newspapers £427,000

Evode Aug. 7
Fife Forge Aug. 28

Hoover Aug. 6 Nottingham Manufacturing ... Aug. 11

ties, and would involve some 12;

per cent of the portfolio. The

chairman said that firm offers have been received from leading

institutions for a substantial sum.

ther £100m to its property port-folio in the current year.

Trading profits for the first quarter at Giltspur, industrial

retiring chairman, stated.

The group plans to add a fur-

At other annual meetings

Earnings, after tax of £273,000 (£474,000) are shown as 2.2p (3.9p) per 25p share. On a CCA

basis, pre-tax profits are reduced to £132,000 (£680,000) and there are nil earnings against 1.5p. The surplus this time includes improved income investment of £67,000 (£8,000) and interest on short-term loans of £95,000

For the full year, pre-tax profits were £3.99m, or £2.66m on a CCA basis, and dividends totalling 3.25p were paid.

Walter Alexander 20% up

A 20 per cent increase from A 20 per cent increase from 12.76m to £3.31m in pre-tax profits is reported by Walter Alexander, coachbuilder and light engineer, for the year to March 31, 1980, Turnover advanced 15 per cent to £38.94m. After tax, up from £645,000 to £898.000. earnings per 10p share are 18.1p, compared with 15.1p,

(£212,000) and after extra-ordinary credits of £26,000 (£462,000). profit attributable is £2.31m (£2.36m).

Mr. W. R. Alexander, the chair-Sales in the 13 weeks to June man, says the present economic 28, 1980 were £400,000 ahead at climate makes it difficult to forecast with any degree of certainty, but budgets for the current year indicate a further increase in profits for the group as a whole. Profits for the first three months of the year are in line with budget.

Stirling Knitting improves

DESPITE a slight setback in sales from £9.81m to £9.56m, taxable profits of Stirling Knitting Group showed a marked improvement in the 12 months to March 31, 1980, rising by £101.023 to £406,893. At midyear the clothing and

knitwear manufacturer recorded a pre-tax surplus of £243,000. compared with £204,000. Tax charged for the year was £234.452, against a credit of

down from £170.006 to £18.730, retained profits were £129,931

A final dividend of 0.5p, tively raised from 3p to 4p with a final of 2.5p. The company's shares are trading on the market made by M. J. H. Nightingale.

Hakes 0.85p net (0.75p).

Earnings per 20p share, before extraordinary items and tax, are shown as 14.53p (10.92p) and after as 5.49p (5.45n)

Downturn at J. Dyson

FOLLOWING static midway pro- issue by Candecca Resources. fits of £1.11m against £1.12m, acceptances have been received J. and J. Dyson, refractory mat- for 99.6 per cent of the shares, erials manufacturer, fell hehind in the second half and finished four basis. the March 31, 1980 year down at

£1.64m, compared with £1.92m. Turnover for the full period was £34.85m (£34.36m). After much lower tax, however, down from £687.922 to £112,238. net profit emerged at £1.53m (£1.23m) giving earnings of 11.23p (9.03p) per 25p share.

The dividend is stepped up to 5p (4.5p) net with a final payment, as forecast, of 2.5p.

DERBY TRUST

On reporting a rise in available evenue for the first half of 1980, the directors of Derby Trust said that second half income would not show a comparable increase.

The word "not" was omitted from last Friday's edition.

RIGHTS RESULTS

Acceptances have been re-ceived for \$6.71 per cent of the convertible loan stock offered by British Home Stores. balance, amounting to £3.4m, has been sold in the market at a premium. The loan stock is con-vertible from 1983 and matures Following the £5.8m rights which were offered on a one-for-

FT Share Information The following security has

been added to the Share Information Service appearing in the Financial Times: Oakwood Group (Section : Industriais).

1	Low		%	ı
	203	Sanco Bilbao	223	11
	217	Banco Central	246	Н
	303	Banco Exterior	210	Ц
	200	Banco Hispano	224	H
	117	Banco Ind. Cat	120	Н
	141	Banco Madrid	141	IJ
	237	Banco Santandar.,.	276	ŀ
	136	Banco Urquijo	136	ı
	208	Banco Vizcaya	236	H
	200	Banco Zaragoza	211	ł
	75	Dragados	86	1
	58	Espanola Zinc	59	ı
	53.2	Fecsa	60.5	1
	23.2	Gal. Preciados	25	ı
	58.7	Hidrota	67.2	ł
	57.5	Iberduero	61.2	1
•	100.7	Petroleos	119.5	ł
	59	Petroliber	87	ı
	107	Sogefisa	107	ŀ
	51.5	Teleionica	62.5	1
	E0 2			

M. J. H. Nightingale & Co. Limited

SPAIN

27/28 Lo	vat Lane London EC3R 8	EB	Tel	lephone	01-621	1212
. £000's		Last	Change	Gross	Yield	
apitalisat		buce	on week			P/E
3,122	Airsprung	54	- 1	6,7	12.4	3.2t
575	Armitage and Rhodes	23		3.8	16.5	1.5†
9,043.	Bardon Hill	148.0	: ∸ 2	9.7	6.6	5.6t
750	County Cars 10.7% Pt.	75	_	15.3	20.4	
6.627	Deborah Ord	96	+ 2	5.0	5.2	10.5
4.424	Frank Horsell	118	+ 3	7.9	6.7	3.7t
10,546	Frederick Parker	73	_	11.0	15.1	3.31
2.002	George Blair	94	-	16.5	17.6	t
2,100	Jackson Group	84	_	5.0	7.1	3.21
16 286	James Burrough	118	+ 1	7.9	6.7	
2.907	Robert Jankins	285	· ·	31.3	11.0	9.7
3,415	Torday	222	- 3	15.1		t
2.831	Twinlock Ord	1314		13.1	6.8	18.E
2.075	Twinlock 12% ULS	76	_			- -t
6.399	Houlook Heldings		_	12.0	15.8	
1.012	United Holdings	49	-	2.6	5.3	10.4
	Unriock Holdings New	45	_	_	_	9.8
12,001	Welter Alexander	.95	+ 1	4.4	4.6	5.3
5,554	W. S. Yeates	238	+ 1	12.1	5.1	3.9t

FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly, Rates for deposits received not later than 8.8.80.

Terms (years) 3 Interest % 121 121 121 121 121 121 121 121 Deposits to and further information from The Chief Cashier. Finance for Industry Limited, 91 Waterloo Road, London SEI SXP (01-928 7822, Ext. 367). Cheques payable to "Bank of England, a/c FFI." FFI is the holding company for ICFC BIDS AND DEALS

Angliana offer for Crest Intl.

from Amarena Holdings Inc. 362,250 ordinary shares of Crest International Securities at 41p each and 2,161,275 preferred at 5∮p each.

As these shares together carry 30.9 per cent of the voting rights, Angliana, which is owned by Mr. T. Farmer and Mr. W. A. Stenson, will make offers at an equivalent price per share to all Crest shareholders. Amarena is controlled by Mr.

B. Glazer and his family trusts.

FNFC DEALINGS

The investment arm of Robert Fleming, the merchant bank, has speut about £1.56m on behalf of clients to acquire 5.25 per cent of First National Finance Corporation, the consumer credit and secondary banking concern which was among the hardest hit of the 1974 fringe banking

The shares bought on Monday when the market price was 24p, are held in the name of Robert Fleming Nominees, but, unusually, FNFC has disclosed the beneficial interests behind the nominee name.

They are:
Abu Dhabi Investment
Authority 1.15m. Crosby Investments 100,000. J. R. K. Emly
5,000 Lord Mark Fitzalan Howard
10,000. Robert Flewing Group
Pension Scheme 175,000. Hawkins Pension Scheme 175,000. Hawkins and Tipson Pension Fund 25,000. Mrs. A. M. Hutchipson 50,000. D. W. N. Landale 150,000. D. Latham 100,000. W. N. Smith 5,000. J. B. Sumner 100,000. G. M. H. Wills 200,000. R. I. H. Wills 200,000. Sarah Wills 50,000. Alcoa Pension Fund 400,000. Austin Reed Pension Fund 300,000. Burmah Group Pension Investments 2750,000. Lord Investments 2,750,000. Lord Carrington 100,000. Cleaning Tokens 200,000. Illingworth Morris Pension Trustees 225,000. West Highland Woodlands

CREWKERNE TEXTILES SALE Crewkerne Textiles, the weaving subsidiary of Bridport-Gundry (Holdings), has sold the fixed assets, stock in trade and goodwill of its sailcloth business to John Heathcoat and Co. while the stock remains to be evaluated.

Sale proceeds will be some \$320,000 and in addition the cash released from debtors less creditors will be about £140,000.

The sale will have no effect on the profits of the group in the year to July 31, 1980.

NO PROBE

The acquisition by De Beers Consolidated Mines and Anglo American Corporation of a sub-stantial minority shareholding in Consolidated Gold Fields is not to be referred to the Monopolies Commission. A DOT investigation is con-

tinuing into the build-up of a 14 per cent stake in Gold Fields versial "dawn raid" in Feb-ruary. Its combined holding as a result of these operations, is 25 per cent.

Expenditure

Other expens

Net profi

Interest and comm

General expenses

Provisions for contingencies and

MINING NEWS

Good half-year for Lornex

results from the North 1979. American mines, the Rio Tinto-Zinc group's Lornex copper and molybdenum mine in British Columbia has experienced less favourable conditions in the second quarter of this year. Even so, net earnings for the first six months of the year are far in advance of those for the same period of 1979, amounting to C\$41.8m (£15.2m) compared

Lornex says that the latest half earnings reflect higher prices for molybdenum, copper and silver together with foreign exchange gains. Prices for copper and molybdenum were less buoyant in the second quarter; copper has given rices a regult has since risen again as a result of the U.S. copper workers' strike and the men at Lornex are understood to have agreed a new

with C\$15.8m.

labour contract.

The company says that the expansion of its C\$160m mining and milling complex is running on schedule and within budget. Completion is expected in mid-1931 when milling capacity should be increased by some 68 per cent. RTZ owns 52.7 per cent of Rio Algom which, in turn, has a 68.1 per cent stake in Lornex.

Mt. Lyell to pay dividend

FOLLOWING MUCH improved profits for the year to June 30, Consolidated Gold Flelds Tasmanian copper operation Mount Lyell is to return to the dividend list, as foreshadowed in this column earlier in the year. Mount Lyell's payments of 15 cents (7.5p) per fully paid share and 6 cents per contribut-

ing share are the first since 1975, and mark the end of a remarkably difficult period for this low grade operation. The company completed the repay-ment of subsidies from both the Tasmanian State and Federal Governments during the year, ending the drain ou pre-tax profits.

Net profits for the year came out at A\$5.35m (£269m), compared with A\$0.43m last time. The company said that higher prices for copper, gold and silver more than offset lower production and sales caused by industrial disputes.

ROUND-UP

Western Australia's Greenoushes Tin plans to double its annual tantalum output to: 180,000 lbs of contained tantalum which would make it one of the world's largest producers of the mineral. The current price of

SU.S.\$100 per pound.

* * * * dividend total is to be cut from M\$0.95 per share to M\$0.85 with a final payment of M\$0.85.

* America's gold-producing At Sunget Besi, production Homestake Mining reports second was down by 13 per cent to 2.08 quarter earnings of \$27.1m tonnes, and net profits declind: by 8.5 per cent to M\$9.85m 75% total to \$2.39 per by 8.5 per cent to M\$9.85m 75% total to \$2.75m.

According to a Brazilian Government agency, the country's gold production could reach 300 tonnes a year by 1984

1985 to make it the world's third or fourth leading gold producer Annual output, currently believed to be about 30 forme has risen substantially in recent

BMI acquires stake in Cadia deposit

THE AUSTRALIAN industria and mining group BMI has bought a 50 per cent interesting Pacific Copper Explorations cadia copper and gold prospect at Orange, New South Walls, reports James Forth in Sydne, Mr. Alan Bond, the Wester American Sydness Forth and Sydness Forth and Sydness Forth in Sydness Forth and Sydness Forth American Australian businessman, recently bought about 20 per cent of the capital of Pacific Copper from Mr. Kerry Packer's Consultated Press Holdings, which also retained a stake

BMI will undertake an evalua-BMI will undertake an evalua-tion of the Cadia deposit at it own cost, estimated to be about AS1m (\$500,000), to establish the feasibility of starting mining operations. The directors of SMI said that preliminary studies had indicated a mining operation of 3m tonnes of ore a year, for a probable capital investment of more than AS50m if Cadia is developed. BMI would If Cadia is developed, BMI would

be primarily responsible for raising the required finance. Examination of data on the deposit has indicated proven reserves of at least 29.4m tonnes. grading 0.72 per cent copper. 0.566 grams per tonne of gold and 5.85 grams per tonne of silver, and BMI believes that ruther probable and possible reserves are contained in the

Malaysian tin profits lower FALLING OUTPUT of the

concentrates has hit profits Berjuntal, the largest tim pro-ducer in Malaysia, and the much smaller Sungel Best, despite a rise in the price received. Both mines are members of the Malaysia Mining Corporation group, in which London's Charter Consolidated has a 28.6 per cent stake.

Berjuntai's net profit for the year ended April, 30 fell by 8 per cent to M\$15.77m (£3.1m). after a decline of 3.8 per cent in

(£11.4m), equal to \$2.39 per by 8.5 per cent to M\$9.85m. The share. This brings the half-year company is to reduce its directed to \$57m compared with dend total to M\$4.8 from M\$55.

11,689 68,947

110,095,829

124,386,693

32,024,255

32,822,937

712,990

6,085,204

658.187 9,970,000

2.966.529 1,058,178

320,889,610



Compagnie Luxembourgeoise de la Dresdner Bank AG

- Dresdner Bank International -Luxemboura

Summary Financial Statement as of March 31, 1980

(thousands of Lux. Francs)

-	Balanc	e Sheet
Assels	•	Liabilities
Liquid Assets:		Preferred creditors
Cash, balances in postal cheque		Collection items payable
account and with central banks	18,304,088	Liabilities to banks:
Balances with banks at sight (incl.		at sight and up to one month
for agreed periods up to one month)	49,443,275	for agreed periods of more than one
Collection items and other assets		тоти
realisable at short notice	. 8,213	Current accounts and deposits
Balances with banks payable for agreed		up to one month
periods of more than one month	105,610,381	for agreed periods exceeding one
Bills discounted	2,313,577	month
Other advances	103,941,317	Debentures
Securities	16,869.555	Sundry creditors
Miscellaneous	12,890,802	Miscellaneous
Fixed assets	658,187	
rixeo asseis	10,800,215	Provisions for contingencies and
_		depreciation
	· .	Balance brought forward.
		er and a f er a great from

Profit and L	oss Account	
	Revenue	
19,028,157 1,419,608	Interest and commissions Other Income	3.
	The language of the control of the c	

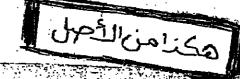
19,650,582 3,514,928 elease of provisions for contingencies 2,258,078 711,364 112,648 1,058,178 23,676,869 23.876.869

The Itemised Balance Sheet and Profit and Loss Account will be published in the Memorial - Recueil des Sociétés et Associations' of the Grand-Duchy of Luxembourg.

Compagnie Luxembourgeoise de la Dresdner Bank AG - Dresdner Bank International -25 Rue du Marché-aux-Herbes, P.O. Box 355, Luxembourg

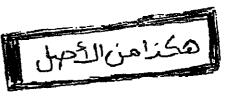
Telephone 47601, Telex 2558 DRINT (all departments) chone 428 16, Telex 2302 DRIFX (Euromoney/Foreign Exchange/Precious Metals/Securities): Cable address: Bankcompanie Luxembourg

Dresdner Forfaitierungs Aktiengesellschaft P.O. Box 630, CH-8034 Zurich Telephone (01) 69 41 41, Telex 53 726 DREFS 737



Färberstrasse 6 (Seehof), P.O. Box 64, CH-8034 Zurich Telephone (01) 25 19 100, Telex 57 104 DRINT CH

INTERNATIONAL CAPITAL MARKETS



CURRENT INTERNATIONAL BOND ISSUES

INTERNATIONAL BONDS

BY FRANCIS GHILÉS Volcker keeps the market guessing

Washington last week must have been disappointed.

No firm monetary growth economy seems more enthusiasm. robust than some commentators have suggested—has reinforced the fears in some European juarters that reflationary measares could be adopted before the election. The large lead president Carter's challenger has built up in the polls under-

cores this point. Easter. At the same time attenson has continued to be locused on alternatives to the ollar. The steady flow of new sines denominated in Swiss announced in the dollar sector rancs and D-marks continues. last week: the \$100m 123 per trancs and D-marks continues.

CREDITS

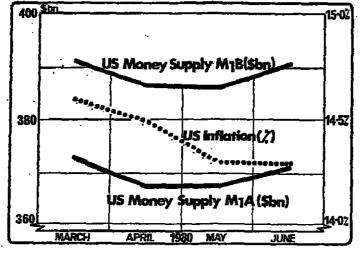
Federal Reserve Board remain tions, successfully placed: DM mystery. Anyone looking for 1.945bn. The foreign D-Mark guidance from the remarks bond sector is following the made by its chairman, Mr. Paul trend of the Euro credit Voleker, when addressing the markets: it is differentiating Senste Banking Committee in more and more between prime names and borrowers deemed to be of lesser quality.

The latest victim here was pargets were laid down for the DM 100m issue for the 1980. At the same time, a com- Republic of Chile, whose 9 per ment from Mr. William Miller, cent coupon (1) per cent higher cent coupon (11 per cent higher the Treasury Secretary, that than the one offered 10 days the economy will probably be ago on the Royal Bank of yery nice by election day"— Canada bond) and pricing at supled with evidence that the 994 failed to elicit much

> The two other issues, for ESCOM and the Republic of Austria. however, were well received. The DM 100m issue for Honeywell Bull was inby DM 25m, to DM 125m.

Investors are continuing to buy foreign D-mark bonds on The result, in the dollar the assumption that, at its next sector of the Eurobond market, meeting, the German Central has been the quietest week since Bank Council will announce more fundamental action to loosen its credit policy by easing back interest rates.

Only two new issues were the latter sector, the cent bond to 1985 for Interpaper issued in many years has trend of mispricing issues which banking asset. By Friday after vertible to 1993 rose more than



effectively closed the fixed interest dollar new issue sector

This issue is led by Morgan Stanley, which is backed up by a strong management group. If priced at par and one takes account of the 11 per cent sell-ing group discount, the paper yields 13.1 per cent. The indicated coupon offers about 2 points over the current five-year Eurodollar rate, which could make the bonds an attractive

were in better demand than most was the sterling one. Sterling denominated bonds were more actively traded than those in other sectors. The £224m issue for Peugeot SA was so well received that the lead manager was able to close the

last Friday at 931-94.

subscription period four days ahead of schedule last Thursday and to price the issue at a premium on Friday. That same day a second ever sterling denominated convert

ible Eurobond was launched

for Orient Finance through CSFB. The borrower is expected to pay a coupon of 8-81 per cent with a conversion premium around 10 per cent. The next two Samurai bond issues have been postponed for about a month because of the likelihood of a fall in Japanese coupon rates. The EIB was due to tap the market for Y15bn last week through Yamaichi. while Daiwa Securities had scheduled an issue for the World Bank early next month. strength of the Zurich Stock The FFr 400m 121 per cent Exchange and the rise of the bond to 1985 for the Kingdom Swiss franc against the dollar of Sweden was twice oversub-

pushed some issues up strongly, scribed before being priced at Banque Nationale de Paris.

BY PETER MONTAGNON

Av. life Coupor Lead manager Borrower U.S. DOLLARS 6.250 ±§Parisbas Suisse (Bahamas) 40.3 Parisbas 1995 1990 Morgan Stanley Highicah Co. ECSC ††IADB 100 1987 Goldman Sachs Intni. Harvester O'seas Fin. Co. NY 1985 Morgan Stanley D-MARKS Republic of Chile Coll-Honeywell-Bull Fin. 9,168 100 Dresdner Bank 8.375 O'seas NV (Curacao) Deutsche Bank Deutsche Bank 250 1990 1**ESCOM (g'teed 9.108 5. Africa) 7.824 ‡**Republic of Austria Commerzbank FRENCH FRANCS BNP. Caisse des 12.875 12ž Depots, PKbanken #Kingdom of Sweden **SWISS FRANCS** 5.784 51 PHs van Ommeren YEW (g'teed 5,750 Yoest Alpine) †**Best Denki 20 ‡**ESCOM (g'teed S. Africa) UBS 6.125 100 **STERLING** 13.857 SG Warburg Peugeot SA §Orient Finance LUXEMBOURG FRANCS Banque Generale 10.750 101 GUILDERS 10.000 ABN 75 1987 Netherlands

U.S. BONDS

BY IAN HARGREAVES

Bolivia goes ahead with rescheduling

debt despite the political uncertainties following International Monetary Fund, he military coup earlier this nonth. International banks are autumn. ppeful that an agreement can signed in New York on riday, August 1.

The agreement will cover all naturities due in the second alf of the year. They are put it a total of some \$160m compared with the country's total lebts to commercial banks of thout \$850m and overall public ector external debt of around

Terms of the agreement proride for a flat rescheduling fee if I per cent and a margin bove interbank rates of 14 or he spread on the original loan. whichever is higher. The debt anuary 5, 1981.

At that date it is hoped that olivia will be in a position ag this debt together with of the rescheduling seems rela-

further assistance from the would be negotiated during the

The terms of the agreement due to be signed this week were negotiated originally by the previous Government of ousted President Lidia Gueiler. At its request a steering committee of international banks was formed to handle the negotiations. Banks involved are Bank of America, Bank of Nova Scotia, Citibank, Crocker, Deutsche-Suedamerikanische Bank, Libra Manufacturers Bank and Hanover.

tiations were taken up by the military Government, which now has the task of negotiating consolidation of the loan. How far progress can be made on this in the time allowed is still a matter of doubt for some international

Following the coup, the nego-

BOLIVIA is going ahead with maturities falling due in 1981. tively secure, it looks as though fairly heavy borrower at long glans to reschedule some of its. This credit, to be backed up by the final outcome is still not maturities recently and banks

Elsewhere in Latin America, Argentina is seeking a \$250m credit. Unlike recent borrowings by public sector borrowers from this country the credit will be in the republic's own

Argentina has recently been outstanding among Latin American borrowers because of the fine spreads it has been able to obtain. Standard terms have been a split spread of - with a maturity of 10 years. But there have been signs that credits on this basis have run into resistance at the retail end of the market and the question remains as to how long Argentina can continue to enjoy such favourable condi-

In the country's favour are its relatively strong payments position, virtual self-sufficiency sign a large loan consolidat bankers. While the first stage in oil and high agricultural production, but it has been a

are already looking to the probable change of govern-ment next year which might affect continuity of economic

noon, about one-third of the

offers an indicated yield of 11.25

per cent, was placed in the Middle East.

tor. Swiss convertibles were particularly sought after: the

The 61 per cent Alusuisse con-

In the Secondary dollar sec-

About two-thirds of the \$50m

issue had been covered.

Normal circumstances would now dictate some upward movement in spreads for Argentina, but given the high hiquidity in the Euromarkets and the prestige attached to the management of sovereign loans, it seems likely that the republic borrowing will once again attract very fine spreads.

Two more banks have joined the lead management group of the \$150m credit for Brazil's Telebras. They are National Bank of Canada and Banco do Brasil. The credit is now in syndication at a margin of 13 per cent over eight years. Brazil now appears to be anxious to speed up its borrowing operations as syndication of this credit is restricted to one

banks have been showing fairly strong interest in lending to commercial banks in Brazil. One such credit managed by Libra for Banco Itau was raised to \$65m from \$50m because of oversubscription at a margin of 11 per cent over eight years.

Poland. The credit is being co-ordinated by Bank of America International, while Citicorp International is running the books and Lloyds Bank International is the agent.

Bankers in the Far East report that the expected \$250m credit for Taiwan's Taipower has been cancelled by the borrower following failure to obtain Ministry of Finance approval for a 10-year maturity. The Ministry has been hoping for a 12-year credit, although maturities of this length are now a rarity in the credit markets and banks felt that Taiwan's credit rating does not justify such a concession.

Juggling with interest rates Confirmation, thought the is anxious about interest rates best minds in Wall Street, that tumbling much further at a CONSIDERING that there was the Fed had eased and settled

relatively little net movement in U.S. money market rates and bond prices last week, it was a period of constant drama. Mr. compared with 9 per cent two Paul Volcker, chairman of the weeks ago. Then on Thursday, Federal Rserve Board, set the the Fed's approach to selling tone on Tuesday when to the surprise of Wall Street and, in the view of some Congressmen, Entering syndication this in defiance of U.S. law, he Finally, late on Friday, the Fed week is the \$300m credit for declined to revise the central cut its discount rate to member bank's projections on monetary growth for the next year.

Meanwhile, the Fed was bewildering Wall Street with its daily market activities, which on Tuesday involved intervention when the Federal funds rate (the short-term interbank rate) fell to 81 per cent and again on Wednesday when the rate was at 8% per cent.

U.S. INTEREST	Week to	Week to
-month Treas, bill -moth, cmcl, paper	July 25 8.00 8.38	7.94
ederal funds weekly average	8.50	\$. 8 0
reas. 30-year bond ng-term AAA utility		10.13 11.25
ng-trm AA industri. Source Salomon I	11.25 Sros. esti	

for a funds rate of 81 per cent, Treasury bills drove rates higher, raising doubts about Wall Street's interpretation. cut its discount rate to member

siderations have thus provoked a debate along these lines: is the Fed, in spite of its own declared intentions, now more concerned with interest rate management than with bank reserve management and monetary growth? Much of the debate, as could

be expected, turns on Wall For the Fed, anxious to avoid street economists matching their inflationary errors of previous Fed watching with their own economic upturns, it is a daily economic ideology. Some mone-

the point of turning in the economy, with all the consequent risks for renewed inflation.

As for the money supply, the broadest of the Fed's measures are already showing growth in line with the Fed's targets (the old targets, unchanged by Mr. banks from 11 to 10 per cent. Volcker on Tuesday) and the These events and other conmore quoted M1=A and M1=B measures are also starting to approach the lower bands of the Fed's goals.

So, we have talked this week in the newsletter to clients from Dr. Henry Kaufman, of Salomon Brothers, of "potential for a credit explosion in 1981."

balancing act, with the prospects tarists are sniffing a retreat for the economy still far from from monetarism, for example, predictable and a number of The concerns of the moment other major problems, such as are the dollar and inflation, in unchecked Federal budget priority according to your own deficits, still waiting in the guess. From the point of view wings. For Wall Street, it will of both these concerns, the Fed continue a daily guessing game.

ROND SERVICE ΤΙΟΝΔΙ

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FB 13% 90	100	1065	1073	0	0	12.47	1
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Ford O/S Fin. 12% 85	250	100%	1005	-04	+0%	12.48	1
George Weston 131 87	30	1071	103	-01	+04	12.85	1
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World Bank 9% 85	200	954	. 57%	- 524	-04	70.50	1
World Bank 103 87	300	37%	977,	. 0	+0.	19.74	1
Average price chan	ges ()n dey	, D on	week	. 0		1
	-			Chan	ge on		(
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BC 7L Q4	225	991	100%	+0%	+07	7.87	ŀ ¦
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	OTHER STRAIGHTS	lesued	Bid	Offer	day	week	Yield
	Bell Canada 104 86 CS			961			11.67
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٠	Fat. Can. Inv. 10 84 CS			94%			
	GMAC 12 85 CS	50	199				12.13
	R. Bk. Canada 10 86 CS			947 ₈ 1037 ₈			11.29 12.42
	Tordom Cpn. 13 ³ 2 85 CS M. Bk. Dnmk, 9 91 EUA			347			9.91
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,	Algemene Bk. 84 84 FL	75		974			
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	Ned, Gasunie 81, 84 FI	50	100%	100%	ĕ.	-04	8.55
į	Norway 84 84 Ft	100	983	974	-01,	6	9.13
	Philips Lampa 84 84 FI	.75	97	9712	-64	+04	9.18
ı	Air France 11 84 FFt CECA 144 86 FFt	120 150	96 ³ 1	97% 107%	+02-	마	12.08
İ	Euratom 94 67 FFr	150	85	86	-04	-0-2	13.06
	Finland 11 84 FFr	80	35	96	-04	0	12.40
1	Finland 114 89 FFr	70	935		+0%	+8%	12.64
I	Guz de France 11 84 FFr IBM France: 11% 84 FFr	150 120	947 98	32,7	TOL	±01.	12.42 12.28
	Renault 92 88 FFr	100	867		707		13.39
ļ	Saint-Gobain 9% 86 FFr		861	874	+0%	+0-	13.16
	Solvay et Cie 93 87 FFr		84				13.19
i	Beneficial Fin. 143, 90 £	20 50	102½ 102	702% 102%	_ O	+02	13.72
Į	Citicarp D/S 131, SD £ EIB 111, 91 £	25	102 96			-07	
į	Fin. for Ind. 1212 89 E	30	99	991	+==	+1	12.61
ı	Fin. for Ind. 141, 88 £	20	104	105 ⁷	+0r	+02	13.42
	Gen. Elec. Co. 121/2 89 É	50 20		100% 108%			12.62 13.33
١	Swad. Ex. Cr. 15% 85 £ Banobras 8% 90 KD	7	106 195%	32."	Ď.	+02	8.53
Į	CCCE 84 91 KD	19	1937	94%	Ð	+1	8.99
ł	Milsubishi 712 84 KD	10		951,			9.08
١	Sonatrach 812 90 KD	12 500	194%	95 ¹ ,			9.31 10.17
ĺ	Akzo 94, 87 Luxfr Euratom 8 87 Luxfr	500	894				10.09
j	Euratom 9% 88 LuxFr	500	983	99%	0	+02	9.95
١	EIB 94 88 LuxFr	600		994			
Į	Volvo 94 67 Luxfr	500	964	97 ¹ 1	0	+0%	10.41
ļ	FLOATING RATE						
1	LTOWNING INVE						

EIB 94 88 Luxrr 64 Volvo 94 87 Luxrr 54	00 96° 97° 0 +0° 10.41
FLOATING RATE	
NOTES Sprea	ed Bid Offer C. dte C. cpn C. yld
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Bank of Ireland 54 89 10	4 97's 98's 21/8 11.81 12.04
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Barclays O/S Inv. 5 90 0	97, 98, 13/12 93, 9.83
Bergen Bk. A/S 6 89 ‡0	a 97 97 ¹ , 29/8 10 10.28
Bilbeo Int. NV 54 90 0	967, 975, 29/11 10.06 10.35
Citicorp 0/S F. 83510	98 ² 99 ³ 23/8 10.19 10.28 98 ³ 98 ³ 30/7 9.69 9.82
Citicoto O/S F. 84 10 C. 110h 54 87 01	
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Ind. Bank Japan 54 27 6	
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LTCB Japan 54 86 01	
LTCB Japan 51, 89 01	
Mfrs. Han. O/S 54 94 10	
Midland Intl. Fin. 5 89. 02	
Nacional Fin. 64 86 64 Nat. West. 54 94 504	
	1 100 100 2 7 17 10 10 10
Nippon Credit 51 ₂ 86 05 Nippon Credit 51 ₆ 87 103	
Royal Bk. Scot. 54 94\$70	
Soc. C. de Eque. 612 87 01	
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Standard Chart 51, 90 04	
Svenska Kndistk. 5 87 0	
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E N'AIR AL 89 SE DA	91 91- 18/12 6- 6.71
Average price changes.	On day 0 on week 0
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Williams & Glyn 54 91 Bq. E. d'Alg. 414 89 SF Average price change	0.7°	99% 91	1005 T	14/9 18/12	67 67	18.52 6.71	
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							1

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	BONDT	RADE	INDEX A	AND Y	ELD
١		Mediu	m term	Long	Cerns
	July 25	92.75	9,86	82.50	10.92
	July 18	92.72	9,88	82.64	10.89
	High '80	93.58	(18/6)	89.19	(2/1)
	Low '80	85.32	(2/4)	71.54	(29/2)
	-	BUDUI	ID TURI	HOVER	
			lumbum i		

U.S. S bonds	Cedel	Euroclear
Last week	1,912.9	2,441.4
Previous week	793.4	3,583.7
Other bonds		
Last week	265.8	606.8
Previous week	345.2	471.3

* No information availableprevious day's price.

. † Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units ex-cept for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

FLOATING RATE NOTES:
Denominated in dollars unless
otherwise indicated. Coupon
shown is minimum. C.dte=Date
next coupon becomes effective.
Spread=Margin above six-month
offered rate (three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Perceolage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares. The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Arab Company for Trading Securities Company for Trading Securities SAK; Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxem-bourg: Kredietbank Luxembourg; Algemene Bank Nederland NV; Algemene Bank Neueriand Nv; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bankers Trust International; Bondrade; Credit Commercial de France (Secs.) London; Citicorp Inter-national Bank; Daiwa Europe NV; Deltec Trading Company; Dillon, Read Overseas Corpora-tion; EBC; First Chicago; Goldman Sachs International Corporations; Hambros Bank; IBJ International; Viddon Boshala International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nesbitt Thomson; Orion Bank; Salomon Brothers International; Samuel Montagu and Co.; Scandinavian Bank; Strauss Turnbull and Co.; Sumitomo Finance International; S. G. Warburg and Co.; Wood Gundy.

Closing prices on July 25

This announcement appears as a matter of record only.



SIP Società Italiana per l'Esercizio Telefonico p.a.

US\$200,000,000

Ten Year Loan

Guaranteed by

STET

Società Finanziaria Telefonica p.a.

Lead Managed by

Orion Bank Limited Bank of Montreal Crédit Lyonnais Marine Midland Limited

Credito Italiano Banque de l'Indochine et de Suez Kredietbank International Group The Sumitomo Bank, Limited

Managed by

Gulf International Bank B.S.C. Landesbank Rheinland-Pfalz und Saar International S.A. Tokai Asia Limited

Gulf Riyad Bank E.C. Landesbank Stuttgart (London Branch) Toronto Dominion International Bank Limited

Co-Managed by County Bank Limited

Funds provided by Credito Italiano, London in association with

Australia and New Zealand Banking Group Limited Bank of Ireland Group Banque Continentale du Luxembourg S.A. Banque Vernes et Commerciale de Paris Crédit Lyonnais Gulf Riyad Bank E.C. Kredietbank N.V. Landesbank Stuttgart (London Branch) Marine Midland Limited Orion Bank Limited The Sumitomo Bank, Limited Tokai Asia Limited Toronto Dominion Bank

Bank of India Paris Branch Bank of Montreal International Limited Banque de l'Indochine et de Suez County Bank Limited Gulf International Bank B.S.C. Hanse Bank Landesbank Rheinland-Pfalz und Saar International S.A.

Oesterreischische Volksbanken Aktiengesellschaft The Royal Trust Company of Canada Svenska Handelsbanken S.A. Tokai Bank Nederland N.V.

WORLD STOCK MARKETS

Companies and Markets		W	ORLD STO	CK MARK	ETS		HONG KONG
	980 July Low Stock 25	1980 July High Low Stock 25	1980 July High Low Stock 25	1980 July High Low Stock 25	CANADA	HOLLAND	1980 Suly 25
1980 : July 46 High Low Stock 25 3614 2031	35 Columbia Gas 38 g 27 Columbia Pict 50 g 18 g Combined Int 19 4	85e 43e Gt. Atl. Pac. Tea. 47e 24 12 Gt. Basins Pet 13 37r ₂ 27r ₈ Gt.Nthn.Nekoosa 55 e	65 % 2973 Mosa Petroleum 42 912 65: MGM 81, 763; 5034 Metromodia 78	295 ₅ 175 ₈ SCM 281 ₃	1980 July High Low Stock 25	High Low	Fis 19.10 9.20 Chetring Kong
4314 2712 ACF Industries 3558 6658	47% Combustn. Eng., 66½ 7½ Combustn.Equip 9%	25% 14% Gt. West Financi, 21% 1818 14 Greyhound 165% 61% 18 Grumman	41 25% Milton Bracley 34 57% 46% Minnesoto MM 54% 69 50% Missouri Pac 551 39% 51% Mobil 77%	211a 14 Scott Paper 187g 123a 81a Scudder Duc V 12 28 123a Sea Contra 267a 435a 265a Seabrd Coast L 421a	245: 18 Abitibi	85 59.2 Ahold	7.10 4.83 East Ans Ney. 315 315 145 80.00 Hang Seng Sant. 316 18.2 7.05 5.06 Nk Sleettle. 316
5134 17 AVX Corn 3114	30% Comm. Satellie 57% 17% Compagraphic 22%	513, 3278 Gulf Oil	16 754 Modern Merchg. 1558 101s 7 Mohasco	56 331g Seagram 55 233g 14 Sealed Power 231g 237g 18 Searle (G D) 223g	8812 8112 Asbestos 5512 2936 2236 Bk Montreal 29 3214 2236 Bk Nova Scotia 5114	AC 1 ST S AMPO	89.5 15.00 9.24 HK Land
44 a 2978 Adobe Oll & Gas. 3934 2618 3914 30 Aetha Life & Gas 3514 4018	15a CIG	28% 20% Hammermill Ppr. 25%	58 3512 MooreMcGmrk 44 50 4018 Morgan (JP) 4512 6178 4138 Motorola 5314	9 4% Seatrain Lns 64 51 22% Security Pac 28% 89 514 Seden 843	205; 95 Basic Resources. 1479 2115 173 Bell Canada	28.5 21.4 Caland Hidgs	7.5d 92.30 11.74 Jardine Math. 2 7.5 5.20 3.10 New World Day 3
44 to 526a Air Prod & Chem 403a 58 to 165a 8 to Akzona 1012 24 to 33 to 25 to	41% Conoco	4814 2814 Hanna Mining 3213 3514 26 Harcourt Brace 3119 1614 1112 Harnischfeger 15 29 3219 Harris Banop 2614 4159 281 Harris Corp 403a	151g 121g Murphy GC) 151g 373g 251g Murphy Qil 361g 265g 19 Nabisco 255g	415g 29 Shell Trans	263s 111s Sow Valley 257s 257s 471s 291s 22 Brascan A 291s 291s	55,6: 26,2-Gist-Brocades 6	2.1sl 5.25 5.47 Wheel'k Mard A
231g 1612 Albertson's 22:4 26 321g 23 Albertson's 22:4 36 321g 23 Albertson's 23:4 481g	20 Cons Foods 255s 151g Cons Freight 26 575; Cons Nat Gas 4414 155; ConsumerPower 191g	36 29% Harson	173: 11 Nanco Industries 174	1034 734 Simplicity Patt. 91s	111, 7 Brinco 8 161, 111, B.C. Forest 161, 261, 17 Cadillac Fairy. 25 324, 163, Camflo Mines 321, 143, 103, Can Cement 1278	24 15.2 Hunter Douglas. 1 29 20.3 Int-Mueller	
361s 231s Alegheny Ludm 315s 11 , 601s 421s Alled Chemical 513s 283s 245s 191s Allied Stores 235s 313s	63, Contl Air Lines 83, 22 Contl Corp 261, 255, Contl Group 311, 213, Contl Illinois 277,	227g 147g Heller Intl- 1854	243; 155e Nat. Can	104s 53s Singer 85- 133s 91s Skyline 13 46 29s Smith Intl. 42 s 641s 45 Smith Kline 567s	1456 1054 Can Cement	18.5 13.1 Naarden 11.1 118.5 100.9 Nat Ned Ceet 11.1 50.9 56 Ned Cred Bank 12.5 10.9 Ned Wid Bank 12.5	7.8 6.3 1980 July 25 Pr 8.6 West Low
1712 12 Alpha Portd 1712 1619 641g	121 Control Data, 595g	34.9 24.9 Houbiein. 32.3 75.5 52 Hewlett Pkd. 72.6 875. 26 Hilton Hotels 55.9 50.4 357.8 Hitachi 47.5	427g 121g Nat. Medical Ent. 40 s 291g 111g Nat. Semicductr. 291g 21 15is Nat. Service Ind. 191g 205g 151g Nat. Standard 145g	144. 912 Somesta Intf 1219 1058 6 Sony	351g 2914 Can Packers 3234 1973 15 Can Perm Mtg 1919 2716 18 Can Trustco 2719	92.7 70 Nedikyd 8 150.5 104 Oce Grinten 1 19.1 9.5:OGEM 2 37.4 19.6:Ommeren (Van) 2	30.5 655 514 Alinometo
581 ₂ 401 ₈ Amax	2958 Cooper Inds 4358 912 Coors Adolph 1558 1814 Copeland	1754 1234 Hobart Corp	513a 255g Nat Steel 2814 581a 2754 Natomas 567a 1612 1036 NGNB 1518	1859 104 Southern Co 15	2778 22 Can imp Bank 254 291 2459 Cdn inds 2614 4878 3478 Cdn Pacific 4158 241 1810 Can P Ent 2378	57.2 38.5;Pekhoed	5.2 560 480 Bridgestone 6 9.5 667 579 Canon 6
801; 59 Am. Brands 801; 581; 581; 581; 281;	161 Copperweld 19 451 Corning Glass 5612 20 Corroon Black 2218 60 Cox Broadcast'g 83	98½ 66¼ Honeywell	80 52½ NCR	744 513 Sth Railway 711 711 30 176 Southland 223	28 237 ₈ Cdn Tire	179 182 Robecc	05 405 357 DK80 4 3.8 555 480 Dai Nippon Pts 5 5.7 465 275 Daiwa House
1959 1514 Am. Elect. Pwr 1914 3559 8639 2512 Am. Express 3519 31	311 ₂ Crane	18:4 13:5 Household Fin 18:2 51:4 25:8 Household Fin 29:8	2454 1814 NY Times	181 ₂ 13 Spring Milla 161 ₂ 253 ₆ 18 Square D 243 ₃ 391 ₈ 281 ₄ Squibb 353 ₆	2914 1536 Chieftain	175.5 145.8 Royal Dutch	1.2d 439 369 Ebara
2534 1514 Am. Hoist & Dk 1813 5414 2974 2112 Am. Home Prod 2878 50 3713 24 Am. Hosp Supply. 3654 773 4574 283 Am. Hosp Supply. 3654 2654	23 Cummins Eng 325a 1534 Curties-Wright 251g 37g Damon 73g 167a Dana 23	491c 365c Houston Nt Gas. 4712 331c 1916 Houston Oil Min. 331c 3251 1716 Hudson Bay Mng 2512 661b 485c Hughes Tool 631a	357a 2718 NICOR Inc 337a 3068 2074 Nicisen (AC) A 301a 505s 3318 NL Industries. 5014 29 1714 NLT 225e	534 25 Std Brands	91 ₂ 61 Costain 91 ₂ 101 ₂ 4.35 Daon Devel 101 ₄ 52 355 ₆ Denison Mines 465 ₆ 1261 ₂ 60 Dome Mines 1261 ₂	125 102,5:Unilever 12 100,8 75,8'Viking Res 9 37,7 28 VMF-Stork 3' 95,5 73,2'VNU 57 45 Volker-Stevin 5	7.7 970 749 Fujisawa
91e 43e Am. Motors 47e 443e 781e 5334 407e Am. Nat Resces. 443e 781e 47 31 Am. Petrins 43 483e 483e 383e 383e 383e 383e 383e 3	5312 Data Gen	64 in 32 / ₈ Humana	398; 218 Norfolk & Westd 3678 4814 3014 With Am. Coal 4134 3112 2334 With Am. (Philips 3138	64% 38% Std Oil Indiana 62 547g 41 Std Oil Ohid 487g 2034 1354 Stanley Wks 1814 213g 15 Stauffer Chem 207g	9314 5578 Dome Petroleum; 9514 20 1458 Dom Bridge	842,8, 215,1, West Utr. Bank., 24	5.5 678 655 Heiwa Ri East 678 231 Hitschi
6474 4514 Am. Standard 6414 2014 2916 2014 Am. Stores 2856	311 ₂ Delta Air 473 ₆ 117 ₂ Den'nys 191 ₄	2714 1836 IC inds	25'8 18'8 Nthn. State Pwr. 25 145g 66g Northgate Exp. 9'4 58'2 37'8 Northrop	231g 165, Sterling Drug 221g	20½ 17 Dom Stores	High Low	1ce 658 492 Hitachi Koki 686 534 Honda 855 700 House Food 884 780 Hoya 8
4314 2814 AMP	121 ₂ Dentsply Intl 171 ₂ 11 Detroit Edison 13 281 ₂ Diamond Intl 371 ₄ 251 ₂ Diamond Shamk 311 ₂	161 ₂ 97 ₈ IU in*	354 1812 Nwestsancorp 30 to 1116 756 Nwestn Mutul 1056 39 2254 Nwestn Steel W. 2554	221 ₉ 134 Sunbeam 1773 443 ₆ 35 Sundstrand 393 ₄ 1764 1271 ₈ Superior Oil	37 25 Genstar	7.5 6.0 ANIC	TAR I A FOR A DON'THE Melenda! 177
173: 14 Anchor Hockg 164 153: 30 21 Anheuser-Bh 29 ! 18	687 ₆ Digital Equip 755 ₈ 81 ₂ Dillingham 127 ₈ 141 ₈ Dillion 175 ₈	32 19 10 10 22 61 2 46 46 46 46 46 46 46	417g 31 Norton 391g 163g 11 Morton Simon 163g 311g 205g Occidental Pet 275g 571g 275g Ogden 3552 253g 20 Ogdlvy + Math 241g	44 3214 Syntex 41:6 47:4 3514 TRW 43:73 34:9 26:8 Taft 28:4 35:4 24:9 Tampax 30:9	2014 1514 Hawk Sid. Can 1814 60 33 Hollinger Ags. A. 60 38 22 Nedson Bay Mng.! 291s	13,600 6,300 Centrale	100 2 600 2,300 JAL 23 950 910 650 jusec 28 61 446 370 Kao Soap 4
3258 2514 Armco 3056 344 455e	411g Disney: Walt: 5014 503a Dome Mines 110 233a Donnelley (RR: 331a 305a Dover Corp 421a 28 Dover Corp 421a	53½ 22½ Interlake	15 1178 Ohlo Edison 1438 2812 1758 Okla. Nat. Gas 2812 82 1419 Olin	547g 2812 Tandy 501g 155 9234 Teledyne	511 ₈ 23 Hudson's Bay 251 ₆ 37 251 ₂ do. Oil & Gas 35	25,000,17,990 talcement	322 450 386 Kirin
271s 151; Asamera Oil 201a 4834 571; 301; Asarco	29 Dow Chemical 3478 355s Dow Jones 4451 283 Dravo 3674 3912 Dresser 6712 978 Dr. Papper 1275	25 ts 17 int Flavours 21 ts 59 25 ts int Harvester 31 ts 10 t	407g 281g Omark	63% 43 Tektronix 60% 40% 40% 40% 40% 40% 40% 40% 40% 40% 4	5012 4214 Imasco	2,309 1,453,0livetti	361 398 327;Komatsu Fift 7 740 715 610;Komatsu Fift 7 723 495, 405;Konishiroku 4 760 381 853;Kubota 3
52 383 Atlantic Rich 47 1916 4453 323 Auto Data Prg 4454 4912 29 1918 Aveo 2358 4518	1414 Duke Power	485s 311s int. Paper	2612 2016 Owens Illinois 25 3078 1912 PHH Group 2612 3414 2636 PPG Inds 3418	784 67 1 18xas Comm. Bt. 55.2 784 77 15xas Eastern 75.2 344 253 Texas Gas Trn 3012 107 175 Texas Instrints 1014 55 522 Texas Oil & Gas 5118	5914 2716 Kaiser Res 5134	16,500 8,950 Toro Assic	3,330 2,900 Kyoto Ceramid 3,1 800 453 533 Lion
35 215; 'Avnet	13% Easco 18 6:; Eastern Airlines 97a	41% 504 Irving Bank 594 264 194 James FS1 254 314 25 Jeffn Pilot 284 324 224 Jawel Cos 304	245 ₈ 1934 Pac. Gas & Elect 231 ₈ 244 ₈ 171 ₈ Pac. Lighting 221 ₂ 56 41 Pac. Lumber 511 ₈	1014 15 Tayes Milities 18	35 2412 Mac. Bloedel 3218 812 7 Marks & Spencer 776 1319 7 Massey Ferg 858 98 47 McIntyre Mines 8312	NORWAY 1980 July 24 Pr High Low Kro	1,190 956 Makita 1.0 408 530 Maruban 3 ice 666 496 Maruda 5 mer 786 598 Marud 6
56 tg 265s Baker Intl 55 ts 25 tg 24 1812 Bait. Gas & Ei 235s 605g 4112 2012 Bancal Trist 281s 294: 1 30 tg 165s Bangor Punta 221s 183s	16:2 Eastern Gas & F. 22:5 43:5 Eastman Kodak. 60:2 20:4 Eaton	875a 231a Jim Walter 36 241a 183a Johns Manville 241a 321a 183a Johnson Contr 241a 82 663a Johnson A.Jns. 794a	13% 11 Pag. Tel & Tel 13% 174 1134 Palim Beach 1659 648 378 Pan Am Air 538 3578 2819 Pan Hand. Pipe. 3249	474s 364s Thomas Betts 46 451s 294s Tidewater 45 251s 1834 Tiger Intl 244s 531s 381s Time Inc 535s	101g 6 Merland Explor 97g 311g 15 Mittel Corp 291g 587g 321g Moore Corp 35.g 147g 10 Mountain State 101g	115 101,5 Berger Bank	77 579 505 M ta Elec Works. 5 73 420 567 8 high Sank 4
271: 201: Bank America 2514 301: 365: 271: Bank of NY 361: 281: 351: 543: 351: Bankers Tst. N.Y 553: 6 . 341: 203: Barry Wright 301: 301: 301: 301: 301: 301: 301: 301:	194 Eckerd Jack 301, 1834 Electronic Data 2612 338 Elect. Memories. 558 1614 El Pago	10% 6% Johnathn Logan, 9% 20% 14% Jostens	52 3449 Parker Drilling 517a 524e 24 Parker Hanfn 2934 7 2918 1914 Peabody Inti 2512 2712 2014 Penney JG 2614	395 285 Times Mirror 37:3 58 4518 Timken 5518 2314 1318 Tipperary 19	18 12 Nat.Sen Prods A. 144 35 : 325g Noranda Mines, 27	108 76 Elkem 76 525 410 Kosmos 4 766 440 Norsk Hydro 5 147.5 112.5 Storebrand 1	5.5 - 210 185 M bight Elec 1: 10 445 337 M bight R Est 3: 15 203 168 MHI 1: 19 410 303 Minut Co 3:
481; 321; Bausch & Lomb., 481; 383; 1 475; 361; Baxt Trav Lab., 461; 165; 231; 17 Beatrice Foods, 231; 335; 335; 235; Beckman Instr., 277; 403;	291; Emerson Elect 38 121; Emery Air Fgt 157; 231; Emhart 321; 241; Englehard MC 391;	461 ₂ 251 ₆ Kalser Steel 441 ₆ 291 ₄ 191 ₅ Kaneb Services 271 ₄	553, 401, Poople s Gas 4916	147s 81: Tonka 13 301e 1914 Total Pet 241s 241s 18 Trane 222:	394 29 Norcen Energy 35½ 57 Nthn. Telecom 38 25½ 1355 Oakwood Pet 20 3.00 1.85 Omni 2.90	SWEDEN 1980 July 24 Pri	565 440 Mitsukoshi 4
16% 912 Beker Inds 16 29:8 18% Bell & Howell	25% Enserch	12½ 63 Kaufman Brd. 113e 255a 12½ Kay Corp. 19½ 21½ 153 Kellogs 20¼ 45's 243 Kenneoott Cpr. 30½ 29½ 21¼ Kennametal 26½	26% 20 Pepsico	1914 1455 Transamerica 1718 3732 291c Trans Union 34:5 2718 2012 Trans World 2253 1734 10 Trans World 1558 4414 35 Travelers 39:2	4.70 2.60 Pacific Cooper 5.45 851; 601; Pan Can Petrol 851; 341; 24 Patino	High Low Kro 185 148 AGA 11 158 112 ARA 12 ARA 11	770 650 Nippon Gakki
251 ₂ 19 Beth Steel 251 ₉ 251 ₂ 451 ₂	225s Ethyl	84 55¼ Kerr-McGee 78¼ 38 295g Kidde	471 ₂ 263 ₄ Philips Dodge 34 156 ₈ 12 Philips Dodge 34 143 ₁₀ 29 Philips Morris 421 ₂	25 1313 Triton Oil Gas 24	18% 13% Power Corp 15% 6% 3,65 Quebec Strgn 5,68	86.5 61.6;ASEA	.6 149 116 Nippon Steel
223: 175a Black & Decker 201s 307a 3 297a 22 Block HR 281: 15 371a 235a Blue Bell 267a 45s	52% Exxon	123s 95s King's Dept. St 111s 271s 191s Knight Rdr. Nws. 255s 255s 161s Koehring	605g 381g Phillips Pet	3914 50 20th Cent. Fox., 37:2 17 105; Tyler	4514 201c Ranger Oil	113 97.5 Electrofux	10 385 317 Nisshin Flour 34 75 185 137 Nisshin Steel 14
41% 27½ Boise Cascade 37½ 1813 26% 1958 Borden 25% 17¼ 40¾ 30 Borg-Warner 37½ 3458	12½ Federal Mogul 175; 11½ Fed. Nat. Mort 16 25½ Fed. Paper Brd 28%	484 3954 Kraft. 4414 9 512 Kroehler. 454 234 1476 Kroger. 2212 1234 716 LTV	287e 19 Pittston	273g 105g UNC Resources 1552 643g 48 Unitever NV 643; 49 563g Union Camp 475g 471g 56 Union Carbide 457g	16 121g Royal Trustoo A. 1534 1534 958 Sceptra Res. 143g 66 40 Saegram 64 403g 28 Snell can Oll 3514	142 76 MoDomsjoe 12 95 63 Saab-Scanla 73	36 900 205NYK,
261; 201; Brigge Stratn 261; 301; 441; 303; Bristol-Myers 431; 281; 381; 281; 8P 525; 93;	518 Fed. Resources 71; 2158 Fed. Dep. Stores 3014 2234 Fieldcrest Ml 283; 612 Firestone 75;	3234 20 Lanier Bas. Prod. 2834 29 183 ₈ Lear Siegler 253 ₈ 251 ₂ 193 ₅ Leaseway Trans. 257 ₈	38 29¼ Potiatch	10se 65a UnionCommerce 93; 601a 451a Union Oil Cal 59 501a 34 Union Pacific 471;	34% 25% Steel of Can A 34%	264 227 Skandia	52 584 483 Renown 54 655 625 Ricoh 54 418 348 Sanyo Elec 36
507; 17% Brown	32½ 1st Bank System. 38½ 10% 1st Charter Fin 16½ 11½ :1st Chicago 15¼	281s 204s Lenox 252s 401e 303s Levi Strauss 381s 277s 181e Levitz Furntr 26 261s 193s Libby Owens Fd. 207s	241s 175s Pub. S. Indiana 25 401s 20 Pullman	45g 51g Uniroyal 45g 14 97g Utd Brands 151g 40 2514 Utd Energy Res 39 431g 357g US Fidelity G 421g	125 77 Texaco Canada 127 18 151s Thomson News A: 18 325s 251s Toronto Dom BK. 324 29 201s Transcan Pips 241s	72 53.5 Sven Handelsbn. 68 98 75 Tandstik	5 810 627 Sekisui Prefab 73 5 571 458 Sharp
2273 1516 Browng-Ferris 2113 4712 151, 1018 Brunswick 1236 4712 47436	32 s 1 stCity Bank Tex 45 s 45 s 45 s 45 s 45 s 45 s 45 s 46 s 46	683 3236 Liggett Group. 6812 603 4612 Litty (Elit	32 21 Purolator. 255; 341; 241; Quaker Oats. 511; 261; Quanex. 225; 75; 41; Questor. 55; 25 191; RCA . 24	20 4 11 US Filter 1912 36 2 25 8 US Gypsum 55 36 26 4 12 9 US Home 26 4	1414 10 Trans Mnth Oil A. 14 2114 1014 Utd Siscoe Mines, 20 2814 1913 Walken(Hrm)C.H., 2778 5.45 5.10 Warrior Res 4.45 1512 12 Westcoast Trans. 1418	SWITZERLAND	291 245 Stone Marine 26 770 615 Taihei Dengyo 72
23 15 Burlington Ind 21% 6½ 79% 35 Burlington Nrhn 39½ 6½ 9½ 381 25% Burlington Nrhn 37 9½ 6½ 21½	4 lg 1st Pe nn	475z 231g Lockheed	131g 97g Raiston Purina 123g 87g 54g Ramada Inns 814 5 31g Rank Ore ADR 37g	954 676 US Inds 773 2412 1612 US Shoe 2512 2212 1656 US Steel 2112 3712 2012 US Surgical 3614 3612 26 US Tobacco 3614		1960 Pri High Low July 25 Fr 1,360 1,110 Alustrisse	559 456 Takeda 52 2,440 1,720 TDK 2,37 154 133 Tellin 13
4914 3414 CBI Inds	215: Florida Pwr & L. 27% 22:: Ford Motor 26 20:s Foremost Mck 26:: 25:: Foster Wheeler. 36	28: 183 Louisiana Pac. 27: 103 75s Lowenstein 103 731 5112 Lubrizol 71	841; 631; Raytheon	26 1814 US Trust 2112 52 3714 Utd Technolgs 4713 1913 1458 Utd Telecomms 1714 61 4114 Upjohn 55		1,890; 1,600;Brown Boveri	120 1,440 920 Telkoku Ol
3512 2514 Campbell Soup 2914 1378 2712 1973 Campbell Tagg 2173 1378 1859 1512 Canal Randolph. 1773 7614 4512 2916 Canal Randolph. 1773 3078	3034 Foxboro	6658 4473 MCA 465A	7118 5458 Reliance Group., 6554 26 2014 Republic Steel 2319 3012 2118 Rep of Texas 2812	2714 1854 VF 2516 35 2112 Varian Assocs. 2512 1178 7 Vernitron 1056	FRANCE	2.510 2,030 Elektrowatt	350 128 111 Tokyo Ges
421s 19 Garlisia Corp 37 13 231 ₂ 21 Garnation 261 ₃ 405 ₄ 1 351 ₂ 265 ₈ Carp Tech 341 ₂	819 GAF	46 304 Macy 47:2 2018 16:8 Madison Fund 20:3 35:4 27:8 Micrs Hanover 30:8	20 1214 Resch Cottrell 18 3754 255 Resorts Intl A 3476 3012 1 Revco (DS) 3012 1812 11 Revers Coppor 1414	121; 91s 'Vurginia EP 114s 371; 301s 'Vulcan Matris 37 3414 2214 Walker (Hm.)C.H. 241s	1980 July 25 Price	5,600 4,825 interfood	526 242: 205 Tokya Corp
22% 1476 Carter Hawley 2058 4334 5584 4334 Caterpillar 564 524 5514 5514 64 5244 64 Celanese Corp 53	29% Gamble Skogmo 43% 39 Gannett	475a 322 Mapon. 431g 721s 465a Marathon Oil. 581g 211a 121a Marine Mid. 181g 255a 1814 Mariey. 24 26 17 Martott. 26	50% 56% Revion	2716 1912 Wallace Murray 24 4512 2819 Wallmart Stores. 42 1714 1176 Warnaco 1436 4516 3636 Warner Comms 4515	2,467 1,780 Emprunt 43% 1878 2,467 8,577 5.680 Emprunt 7% 1878 8,500 4,391 3,605 CNE 3%		777 795 665 Waccal 76 175 1,060 826 Yamaha Motor 83 175 670 461 Yamazaki 51
1515 1136 Central & SW 1376 2356 2 2119 978 Central Soya 1518 8434 2 2618 2158 Central Tel Util 2638 5614	16 Gen Cinema 22% 58% Gen Dynamics 72 44% Gen Electric 54 21% Gen Exploration 25%	26 17 Marriott	2552 1776 Rich Merrell	23 171s Warner-Lambt 194s 2014 16 Washington Post 181 ₂ 59 357s Waste Mangt 567s 261s 221s Weis Mkts 251s	428 328 Afrique Occid 394 456 341 Air Liquide 440xr 1,540 1,161 Aquitaine 1,245 124 87.51 Au Printemps 107.8	800 732 Swissair	185 316, 227;Yasuda Fire
291a 1212 Cessna Aircraft 163a 331a 1 112 1 Champ HomeBid 11a 631a 1 273a 191a Champ Inti 264a 2814	23% Gen Foods 50% 39% Gen Instrument. 61% 19% Gen Mills 26% 39% Gen Motors 49%	503; 193; Masco	15½ 11½ Rochester Gas 14½ 31⅓ 17¼ Rockwell Intl 29¾ 47½ 33 Rohm & Haas 45¼ 52¼ 17¾ Rollins 29%	27/4 2178 Wells Fargo	578 461 BIC	1,975 1,750 Swiss Volkabk 1.7 3,800 3,170 Union Bank 3.4 2,310: 1,990 Winterthur 2.3 14,500:12.700 Zurichins, 14,0	10 10 1980 July 24 Pri
451 ₂ 17 Charter Co	121 ₂ Gen Portland 211 ₄ 41 ₄ Gen Pub Utilities 61 ₄ 371 ₂ Gen Reinsca 53 281 ₄ Gen Signal 38 ₇₅	26% 18% May Dept Strs 26% 22% 15½ Mayer (Oscar) 17½	1219 : 819 RoperCorp* 1153 3419 : 1916 Rowan	6478 3714 Westn. Nth. Ame. 64 2614 1918 Westinghouse 2478 38 2634 Westvaco 3134 3714 28 Weyerhaeuser 3612	1,635, 1,239 Carrefour	AUSTRALIA 1980 Pri	3.75 2.65 Abercom 3.6 8.75 5.45 AE & Cl. 8.7 18.15 18.30 Anglo Am. Co 18.1
361, 25% Chessie System., 34% 2914 2 25% 17 Chicago Pneum. 24 23% 1	23 Gen Telep Elec 2714 121 ₂ Gen Tire	27.5 31.1 Maytag	143a 103c Royal Crown 151a 92 695a Royal Dutch 905 297a 201c Rubbermand 241c 165c 117a Russell Stvr. 157a 291s 163a Ryan Homes 271c	4414 2958 Wheelabratr F 4414 2376 1519 Wheeling Pitts	578, 427 CSF (Thomson) 451 366, 280 Cle Bancaire 346.8 455 385 Cle Gen Eaux 443	High Low July 18 Aust 5:00 4.10 ANZ Group 4.7	3 111.5 80 Angio Am. Gold : 111 11.65 8.05 Barlow Rand 11.6 48.25 30.00 Buffels 48.2 1 5.30 2.46 CNA Invests 5.1
4212 27 Cincinnati Mil 4112 29 2412 1714 Citicorp 2116 3312 3312 3754 2754 Cities Service 54 7654	194 Genuine Parts 25% 224 Georgia Pac 291 ₂ 43 Geosource 74: ₄	45 21 mcConcugh 41 31 mcGraw Edison. 26 mcGraw Hill 52 14 14 712 McGraw Hill 52 14 14 712 McLean Truckg 91	261s 161s Ryder System 253 255s 196s SFN Companies 25 371s 245s SPS Technology. 291s 401s 211s Safeco 38	267a 1813 White Consoltd 25% 9 37a White Motor 41s 261a 19 Whittaker 245s 1631 115a Wickes 157a 401a 263a Williams Co 351a	189.5. 143 Ooffmeg	1.45 1.00 Ampoi Pet	50 31.25 21.50 East Drie
59% 25% Clark Equipment, 50% 55% 57% 26 Clark Cliffs Iron, 50% 56 1	1778 Gerber Prod 2379 681: Gotty Oil 8414 1812 Giddings Lewis 2614 1878 Gilletta 2774	283 2019 Mead 2512 50 21 Media Geni 30 783 5514 Medtronie 7512 287 22 Mellon Nati 2771	3914 2773 Safeway Stores. 3012 5412 35 St. Joe Mins. 5412 7818 4914 St. Louis-San F. 7614 42 31 St. Paul Cos 3614	301g 24 Winn-Dixip Str 29% 314 17s Winnebago 2 2614 1918 Wisc Elec Power 25% 28% 214 Woolworth 27%	42.8 31 DNEL 31.6 805 602 Dumez 788 388.8 316 Ferodo 368 358 267 Gen Occidental., 351.4	2.58 , 1.80 Aust Cons Ind	3 96: 56.60 Gold Fields SA
3634 2816 Coca Cola 3536 2136 1 614 4 Coca Btl. NY 519 1536 1516 1136 Colgate Palm 1418 274	185; Global Marine 373g 161; Goodrich (BFL 205; 107; Goodyear Tire 147g 20 Gould 251;	385e 251e Melville	5654 2514 St. Regis Paper 3112 7234 4835 Santa Fe Inds 6034 4514 30 Santa Fe Intl 4118 914 514 Saul Invest 918	594 50½ Wrigley	132 62.5 Imetal	5.50 2.70 Bank NSW	2 17.50 12.50 0K Bazaars 17.6 0 3.50 8.55 Protea Hidge 3.
854 614 Collins Alkman 775 4354 6684 3519 Coll Inds 4514 3918	3314 Grace	41½ 32 Mcredith 3851 2758 1759 Mernii Lynch 2618	8:6 414 Saxon Inds 5:3 4212 2913 Schering Plo 4134	4214 2419 Zapata 4114 13 84 Zenith Rad 1231	1,477 1.010 Legrand	2,45 1.85 Brambles inds 2,4 4.50 2,07 Bridge Oil 4,5	5.55 2.05 Rennies 3.6 5 7.25 4.90 Rust Plat 7.0 0 2.85 2.25 Sage Hidgs 2.5
Indices				AUSTRIA	89.9 72 Moulinex 72.1 245.5 315 Paribas 245 115 88.3 Pechney 106.1	15.40 * 11.45-EMP	17.50 13.50 Tiger Oats 15.8 2.55, 1.85 Unisec 2.5
July July July July July — 25 24 25 22 21 18 H	1980 Since Cmpil't'n	July July July July 35 24 2	ly July 1950	1980 July 24 Price	321.5 246 Pernod Ricard 315 240 166 Perrier 191xr 281.2 205,5:Paugeot-Cit 205,8 270 202 Pocialn 223,9 325 256 Radiotech 320	0.26 0.15 Do. Opts	Financial Rand US\$0. Discount of 331%)
Industr'is 918,09 925,11 928,58 927,30 928,87 923,88 92		AUSTRALIA Sydney All Ord. (1936/39: 914.2 917.41 91	1.89 814.86 847.47 (14.2) 769.08 (2/1)	336 336 Creditanstalt 336 336 Sanderbank 336 285 265 Perimoster 258 114 100 Semperit 107 267 230 Steep Parimies 245	474: 418 Redoute	8.50 5.20 Cons. Gold 8.0 3.40 2.50 Containers 5.4 7.10 4.65 Containe Rights 5.2	BRAZIL.
me 8'nds 72.89 72.93 73.18 73.55 73.54 73.25 7 ansport 505.90 308.50 309.71'512.55 315.43 309.50 31	21(7) (21(4) (11(75) (2(7)52) 6.61 65.87 ————————————————————————————————————	Metajs & Minis (1836:85) 5779.6 5782.94'687 AUSTRIA Credit Aktien (2:1/82) 87.15 67.15 8	7.07 57.05' 93.40 (7/1) . 66.85 (23/6)	359 300 Veitschar Mag: 305	139.7 119/St. Gobain 124.3 1,040 616/Skis Rossignol 695 292 260/Suez 284 958 688/Telemech Elect 955	4.00 2.10 Crusader Oil 4.0 0.90 0.71 Dunlop 0.8 3.50 2.20 Elder Smith GM 3.3	8 2.53 1.09 Acesits 2
28 114.17 114.28 116.56 115.47 114.28 114.17 114.28 1	21/71 (97/8) (91/7/80) (8/7/89)	BELGIUM Belgian SE (31/12/65) 34,54 84.28 9 DENMARK	1.30 (C) 106,75 (71.2) 90.14 (31/3)	BELGIUM/LUXEMBOURG	239.3 188 Thomson-Brandt 231 GERMANY	4.70 3.20 Hamersley 4.44 5.10 2.60 Hartogen Energy 4.5 1.24 0.85 Hooker 0.90	5.30 1.90 Belgo Min 4, 2.79 1.40 Lolas Amer 2, 6.10 1.57 Petrobras PP 4, 4.00 2.56 Soliza Chiz
ay's high 925.34 low 913.23	-, -; -	Copenhagen SE (1,1/75) 84,78 84,78 84,78 84 FRANCE CAC General (28,12/61) 198,3 198,6 10	17.7 108.9 117.8 (22.2) 97 1 (5/1)	High Low Fis. 2,450 1,540 ARBED	1980 July 25 Price High: Low Dm.	3.00 2.05 iCi Aust 2.5i 1.15 0.83 lennings 0.9i 2.80 1.60 limberians Min. 1.7i 1.61 1.25 lones (D)	7.20 4.80 Unio PE 7. 11.90 2.93 Vale Rio Occe 11.
Ind. div. yield % July 18 July 11 5.72 5.93	July 4 Year ago (approx) 5,94 5,83	Ind Tendance (28/12/79) 111,4 111,4 1	9.1 109.8° 111.4 (24/7) 85.60 (5/1)	2,170 1,830 Bekaert B	129,9 71 AEG-Telef	0.60 0.27;Kia Ora Gold 0.5 2.25 1.10:Lennard Oil. 1.6 5.38 3.75 MIM 4.9 7.20 0.60 Magkatharra 6.1	Prices Chan Company July 27 on th
ANDARD AND POORS July July July July July July July 25 24 23 22 21 18	1980 Since Cmpil't'n	FAZ-Aktien 31-12/58 235,75 255,75 25 Commerzbank Dec. 1955 759,9 745,6 7		4.210 9.780 Fabrique Nat. 2,780 1 2 600 2,205 GB-Inno 2,400 1 695 1,250 GB-(Brux) 1,440	125.8 113,7 BAYER 116,1 126.8 265 215.5 Bayer Hypo 263 263 251 Bayer Verein 309,5	0.39 0.15 Meridian Oil 0.10 0.50 0.18 Metramar Min 0.81 1.30 0.35 Monerch Pet 0.71	Banking, insurance
ndust'ls 156,64 157,60 157,95 158,07 138,40 157,80	19 1.7: 197.7: 191.77:00: 1 TR 10:00		87.4 67.0 88.0 (25.7) 74.0 (27/5) 86,3 66.1 60,2 (11/1) 58,2 (28/3)	1,538 880 Gevaert 1,246 5,195 2,480 Hoboken 2,630 1,700 1,440 Intercom 1,478 6,510 8,370 Kredietbank 5,610	203 164 BHF Bank	2.79 2.32 Nat Bank 2.6° 2.95 2.10 News 2.70 1.56 1.05 Nicholas (54	5 Union 8k of Israel 8r 759 + 50 5 Hassnet Ing. 8k 779 + 50 6 Hassnet Ing. 8k 770 + 50
July 16 July 9	122.61 98.22 125.86 4.40 (21.7) (15.2) (11.1778) (1.6/32 July 2 Year ago (approx)	Hang Song Bank 1817/64: 1147.1 1150,57 112		4,010 8,300 Pan Holding 3,860xl 6,250 4,600 Petrofina 4,940 5,810 5,000 Roya/e Beige 5,720	68.5. 42.2 Conti Gummi 65.2 274.5. 226.5 Daimler Benz 264.2 265.5. 220.5 Degussa 257.5 139 182 Demag	5.00 2.90 Oakbridge	Gen. Mortgage Bank Br 643. 4 52 'Tefahot' (srl. Mt. 8k. 608ex 4 32
d. div. yield % 4,88 4,97 d. P/E Ratio 8,02 7.90	5,07 6,52 7,22 7,87	Banca Comm. Ital (1972) 108.12 107.54 101 JAPAN Dow Average (16/5:45) 6818.4 8798.88 885	7.47 6856. 10 6904.81 (25/4) : 6475.95 (27/5)	2,895 2,335 Soc Gen Bang 2,415 1.750 1,530 Soc Gen Baige 1,444 3,530 3,000 Sofina	274.9 189.0.0 sche Babcock, 205 281.8, 226.5 Deutsche Bank, 278.7 185 128.5 DU Schult	0.39 0.14 Pan Pacific 0.37 2.45 1.72 Ploneer Conc. 2.31 0.85 0.26 Queen Marg't G. 0.46	Africe (grae) Inv. 1910
ing Gov. Bond Yield 10.08 10.11	10.13 8.92 Rises and Falls	Tokyo New SE (4/1/58) 488,8 488,50 46 NORWAY	8.75; 470.87 478,55 (25/6) 449.01 (10/5)	2,735 2,295,Traction Elact 2,516 1,555 1,210 UCB 1,288 1 040 718 Union Miniere 734 1,795 1,320 Visille Mont 1,330	145 116 Dyck Zement 122.5 224 191 GHH 223.0 77 63.5 Hapag Lloyd 68	1.60 1.00(Steligh (H.C.)	lerael Electric Corp 629 - 34
uly July July July High Low Rises	639	SINGAPORE	i.58 125.55 144.76 (14/2) 118.12 (28/6) 1.58 568.90 576.18 (25/7) 425.75 (6/1)	DENMARK	126,5 109,1 Hoechst	2.70 1.91 Thus Nationwide 2.46 2.80 1.65 Tooth 1.70 5.50 3.70 Utah Mining 6.16	Bank Leursi invest 633 + 75 "Clai" lereel invest 620 - 30 Discount Invest 548 4 22
70.10 69.68 69.76 69.94 70.10 : 55.30 Unchange (21/7) : (27,3) New Lows	8 57	SOUTH AFRICA Gold (1958) - IGH 70	14.8 746,2 764,8 (25:7) 649,5 (15:6) 10.7, 564,0 570,7 (25:7) 456,0 (28:1)	1980 July 24 Price	170 169 Kalfund Salz 162 258.5 318 Karstadt 229 200 168 Kaufhof 185.6	0.71 0.55 Waltons 0.71 5.50 3.55 Western Mining. 5.20	Affiance Tire & Rubber 2,550 + 30.
ONTREAL July July July July – 25 24 23 22	1980 " High Low	SPAIN	5.64, 103.49 103.90 (24:7) 93.79 (13:5	136,5 108 Andelsbanken 103 325 218 Bahica Skand 325 79.8 30.6 Burm & Wan 51,75	229 198.5 KHD	1.58 1.42 Woolworths 1.54 4.15 2.75 Wormald Infl 4.00 SINGAPORE	Argaman Textile 8r. 48 + 32 Argaman Textile "B" 273 + 62 Amer. Israeli Ppr. Mills 1,043 + 2 Assis
Industrial 40.87 402.87 395.07 394.80 Combined 567.71 559.45 569.38 564.17	578.90 (29/2) ; 296.98 (27/3)		4.57 575.48 586,98 (8/2) 554.72 (17/1,	121 102.75 CopHandelsbank 102.76 261.75 189.75 D. Sukkerfab 260 120 100.75 Danske Bank 101	87.5 70 Lufthansa	1980 July 25 Prio	Eite 892 +121 Teve Reg 1.275 +130
TORONTO Composite 2197.2: 2204.8 2195.8: 2179.0 NEW YORK ACTIVE STO		SWITZERLAND SWISSBANK Co. (\$1,12:58 \$10.1' 507.2 \$00 WORLD		128.5 102.75 East Asiatic	298 236,5 Metaligesself 266 645 645 Muenoh Ruck 629 232,5 149,6 Preusseg 231	4.24 2.48:Boustead Brid. 4.08 5.90 2.60:Cold Storage 3.70 5.15 4.46:D89 5.30	Source: Rent James to James Buil
Change Friday Stocks Closing on Finday traded price day	Change Stocks Closing on traded Orice day		1.0 · 148.4 · 148.6 · 21/7) 129.5 · (27/6)	192 : 1493 Porence Dampsk 192 202,75 155,5 GMT Midg	288 240 Rosenthal	2.40 1.79 Haw Par 2.40 3.44 2.19 Inchespe Bhd 3.40 12.60 7.95 Melos Beatles	
erato 891,000 37 ³ , -1 ¹ , City investigation ind 519,100 21 ¹ ,	st 330,600 237, — 1- otons 330,100 482 — 1	and Poors—10; and Toronto—1,000; the	except NYSE All Common—50; Standard lest named besed on 1975. † Excluding lais plus 40 Utilities, 40 Financials and	126. 105.25 Privatbankank 108	90,9 64,5 Thyssen 66 169 138 Verts 169,5 160,5; 151,7 Vebs 278 260 Versin-West 272	7.50 4.68 Malay Braw	NOTES:Prices on tide page and

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Nine guerrilla leaders hold the political reins

and the circumstances in which the Government has developed in the past year have combined to give a peculiar form to the way the country is governed. The emphasis has been put on national unity rather than class

Power lies in the hands of the commanders of the guerrilla army which overthrew the These number dictatorship. nine and are drawn from all the three tendencies into which the movement was once split. In this collegiate body, most of whose members are comparatively young, each has his own speciality. Comandante Henry Rulz, for instance, is also Minister of Planning; Comandante Carlos Carrion is the Sandinistas' overseer of the National Literacy Crusade.

Though some of the commanders are better known publicly than others, the collegiate type of leadership, so different in style from President Fidel Castro's overwhelmingly personal position in Cuba, has

This collegiality is reflected at the second tier of Government, the junta of five, appointed by the Sandinista leadership, who carry out the functions of a sort of collective Prime Ministership. The five include one Sandinista leader. human rights initiatives—as Comandante Daniel Ortega, but about the newly created autonomous body—will be welal leader of the Conservative comed by the Government.

THE GENESIS of movement returned to his native Nicaragua "amparo," or judicial protection against the Somoza dictatorship after a long spell on the staff against arbitrary acts by the of the Inter-American Development Bank in Washington.

> The other prominent organ of government is the Council State which contains 47 members and acts as a sort of legislative body. The 47 are including the political parties. but are appointed by the Sandinista leadership and not popularly elected.

> There is a free Press, with the conservative daily La Prensa not averse to making tart remarks about national life which are rapidly repaid in kind by Barricada, the Sandinista organ.

Cuban situation — and human rights, the Government has solemnly pledged, will be fully setting up of an autonomous human rights commission to look into allegations of human rights abuses. It has declared that the doors of the country are opent to outside bodies who want to carry out investigations and the Human Rights Commission of the Organization of American States is expected to

be sending a mission shortly. It has also added that private party, and Sr. Arturo Cruz, who Habeas corpus and the right of

executive, are established.

There is no sign that the Government regards funda-mental freedoms as "bourgeois" concepts to be despised and made little of. On the contrary, legislative body. The 47 are the Sandinistas, if they carry representative of national life, out their pledges, will have including the political parties, achieved the task of complementing civil rights, narrowly interpreted, with those economic rights for the poorest strata of society without which political rights have little meaning.

The first step towards the improvement of the condition of the poorest Nicaraguans was taken at the beginning of the year when the literacy crusade There is full religious freedom was launched under the co-another difference from the ordination of Father Fernando Cardenal, a Jesuit. With half the adolescent and adult population illiterate, the step was a respected. In recent days the necessary prerequisite for the Government has announced the raising of living standards of the mass of the population.

700,000 illiterates

In a vast operation, 180,000 literacy campaigners, some as young as 11, have been organised on para-military lines, to bring reading and writing to 700,000 illiterates in whatever corner of the country they live. Special courses are being worked out for the English speaking communities of the remote, isolated and backward Atlantic coast and for the indigenous peoples of the same



Comandante Daniel Ortega, a Sandinista leader and a member of the junta of five, visiting Italy's President Alessandro Pertini

rons and sent off into the countryside and the smaller towns to educate. Each squadron is of 30 boys or girls, grouped four squadrons to a column and upwards into brigades and fronts, the latter corresponding to the six guerrilla fronts into which the Sandinistas were divided during their campaign

against the dictatorship. The programme is costing \$20m, donations of money and coming from Netherlands, Peru, Iraq, the Dominican Republic and

Parallel to the State organisa-tions are the Committees for

Total Dishursed

Schoolchildren and students Sandinista Defence, neighbourhave been organised into squad- hood groups which arose from the committees formed for civil defence during the war and which had the job of distributing rations, digging shelters and giving first aid to the civil population.

The CDSs, therefore, seem to have more of an authentic ring about them that their Cuban counterparts, the Committees for the Defence of the Revolution, which, Nicaraguans point out, were set up well after the Castro Government was victorious. The CDSs enjoy appreciable political latitude in expressing their members' Leninist governments. Some opinions. At one CDS headquar-Sandinistas, too, feel that the ters, supervised by a Communist Council of State and the CDSs

the introduction of the death elections. sentence for "enemies of the

its second year, many Nicara orthodox parties. guans are wondering when and under what circumstances the Sandinista leadership will redeem its pledge to convene elections.

Though the Sandinistas have wielded poltical power since their victory last year, other parties, the Conservatives, the Christian Democrats and the Communists have been allowed to continue, organise and pro-selitise. They are certainly expecting elections for a parliament with real power. The Sandinistas have however hesitated to name a day, despiteor because of - constant pressure from Washington. The full reasons behind the

Sandinistas' hesitation are complex and various. There is certainly a small minority within Sandinista ranks which is unwilling to see fair and free elections at any price. One must assume that these members are backed by foreign advisers sent from countries with Marxist-

Gross domestic product (\$m at 1978

Agriculture

Gross domestic product per capita (\$m at 1978 prices)

Exports of goods (fob \$m)

imports of goods (cif \$m).....

Balance on current account (\$m)...

Public external debt (\$m)

Total external debt (\$m)

Total external debt per capital (\$)

Net international reserves (\$m) ...

Central government current income

Current account surplus or deficit

Conclusion:

Operating expenses

Manufacturing Construction

This has brought quartels instilled and the lot of the about the use of the word poorest Nicaraguans improved Sandinista. Other organisations, before a poll can take place notably the group supporting Sr.

Alfonso Robelo, an engineer who washington for elections in the was a member of the junta until view of some observers puts of his resignation earlier this year, wanted to use Sandinista in their title but were forbidden to do so by the FSLN leadership which claimed exclusive use of the word and the prestige which attaches to it.

Sandinista Army

The politicians then argued that the name should be removed from civil bodies like the People's Sandinista Army or the Sandinista Police. For their part the Sandinistas replied that against possible attack from the other groups should have north thought about it a lot earlier Few in Nicaragua feel that during the war.

wrongs of the quarrel it will be difficult to disentangle the FSLN from the business of government and define its role as a party rather than as an adminis-tration network.

BASIC ECONOMIC INDICATORS

490 416

of long standing, Gladys Baez, are democratic enough organisa. Others think that the precess now a Sandinista in the city of tions whose existence will for of running an election would be Leon, the wall bore calls for the moment stand proxy for too costly and divisive an opera-Some see difficulties in the time when Nicaraguans should fact that the Sandinistas as at be united in rebuilding the Calls for the death penalty present organised are what their country after the war. There is Calls for the death penalty present organised are what their country after the war. There is, have been firmly vetoed by the Sandinista leadership, not least for the harm it would to do the international image of the Government.

present organised are what their country after the war. Interest, and a foot training that as Electronic for the harm it would to do the international image of the Government. As the revolution moves into little to do with the activities of elections, would be pointless Some say that literacy must be

rather than brings forward the day when elections will be held. The U.S. pressure is seen as having little validity given past support for the Somoza dictator-ship and Washington's continuing support for undemocrafic governments in other parts of Latin America.

The convening of elections will certainly be made easier if peace comes to El Salvador and Nicaragua feels under less pres-sure to defend its frontiers

Few in Nicaragua feel that the results of free and fair elec-Whatever the rights and tions would give victory to any one other than the Sandinistas. No other group has the prestige armed and finally successful struggie against a dynastic dictatorship.

1979

· 1980

Popular victors

CONTINUED FROM PREVIOUS PAGE

ambitious literacy crusade which aims to instruct every illiterate Nicaraguan who is capable of reading and writing to do so has, for instance, ordered uniforms for the young teachers who have been sent out into the countryside to teach the peasantry. This has given a valuable boost to the clothing sector.

But it would be a mistake to say that the Sandinistas and the private sector have settled down together like so many lions and lambs. Many Sandinistas feel that the businessmen have not reconciled themselves to the sort of social changes and power by the U.S. after levelling through of society Washington decided to end its that they, the Government, want. For their part, the businessmen and farmers. though happy at how things ing whether they are not being asked to build up enterprises which the Government will take marine occupation and from over once they have become big | whom

Clear and blunt The Government's position is

Reconstruction Plan 1980-81. "The participation of private

enterprise in the economic reactivation through its technical | republic. skills and the productive investment of its surpluses will allow the 'rules of the game' to be progressively defined as the process takes its course. As it does take its course the role that private enterprise can play in the construction of the New Nicaraguan Economy will be worked out on an actual, not a theoretical basis.

"The constructive position of the Government in this Programme, offering concrete guarantees and stimuli to private enterprise ... can be considered a substantial step in the strengthening of national unity. At the same time this programme will be a test of patriotism which will allow companies to show their willingness to collaborate in the process." In simpler language, there will be scope for the private sector if it wants to make use

For the moment, Government and private business are still sizing each other up. Business knows that the Sandinistas are in control. The Sandinistas know that they cannot get very far very easily without business good will.

The process of sizing up and deciding strategies may soon be coming to an end and the results could soon flow. The final long delayed decision of Washington to commit \$75m in an aid package to Nicaragua was seen by some as a challenge to the Nicaragua business community.

"They see U.S. taxpayers' money being invested here and that makes them think. They know that life in exile in Miami is not all that pleasant and that it is much better for them to live in their own country. They are now thinking hard about mak-

ing new investments." If the Nicaraguan private sector is indeed tempted to collaborate fully with the new Government, it will mark an important new partnership between the business community and the forces of social change whose significance will be of enormous importance for Latin

Sandinistas look abroad for new friends

THE SANDINISTA Government can thank few governments in the world for great favours extended to them, certainly none of the great powers and perhaps only three or four of the governments of their Latin American neighbours.

The Somoza dynasty, which the Sandinistas overthrew a year ago, had for long been a favoured ally of the U.S., an embarrassing ally for Washington at times but nevertheless an ally which could be trusted to see things the way Washington basically wanted them to be seen. The first Anastasio Somoza, the late father of Gen. Anastasio Somoza, who fled the country a year ago, had been installed in occupation Nicaragua by the U.S. marines. Soon after his installation in power, the first Somoza assassinated Gen. Augusto Cesar Sandino, a soldier who had risen up against the U.S. whom the present of Sandinistas take their name.

But many Nicaraguans look back past the Somoza dynasty and past Sandino to the middle of the last century when a U.S. put forward in all clarity and freebooter declared himself bluntness in the Emergency president of the country and as his first act in power reintroduced slavery into the small, newly-created and vulnerable

Unfortunately, it has been difficult if not impossible to be a patriotic Nicaraguan and at U.S. foreign policy, and it took all the military offensives that the Sandinistas could mount before the U.S. finally abandoned the last Somoza. It also took great firmness on the part of the Sandinistas before Washington realised that it would not be able to continue to nave a direct influence in the country by maintaining Somoza's national guard intact after the dictator himself had

U.S. aid

And even after Sandinistas were installed in power, relations with the U.S. did not go entirely smoothly. Washington early on promised large amounts of aid for the new government, and promised to furnish it quickly as the country struggled to repair the damage of the civil war. But such were the conditions attached and the delays the ald Bill suffered in the legislature in Washington that only in recent days, a year after the overthrow of Somoza, have the Sandinistas been able to count

on this money. It is not to be expected therestance, about the Olympic cow has omitted—some say Games. From this, those com-refused—to provide the Sandimentators and analysts who see the hand of Moscow behind indeed assets of any sort apart every move for political change from messages of solidarity. in Latin America have been. The situation is reminiscent

Total population

Economically active population

FOREIGN FINANCING 1980

	contracted	in 1980
INVESTMENT		
Inter-American Development Bank	140.9	_
World Bank	59.3	_
USAID	80.0	_
Central American Bank for economic in-		
tegration		_
Kreditastalt fuer Wiederaufbau	18.0	
•	343.6	223.0
REHABILITATION		
Inter-American Development Bank	73.5	73.5
World Bank	33.2	33.2
USAID	40.0	40.0
	146.7	146.7
Total	490.3	369.7
Source: Nicaraguan Governi	ment	•

BALANCE OF PAYMENTS

	1978	1979	1980
Trade balance	+ 93	+210	-176
Services	-127	-145	- 73
Current account balance	- 34	+ 65	-249
Capital movement	-250	+ 28	+277
Government	+ 43	+209	+179
Private sector and nationalisations	-293	-181	+107
Central Bank of Nicaragua			- 9
Variation in international reserves	+284	- 9 3	- 28
(+ indicates fall in reserves and - ind	iontoic	i= ===	

icates fall in reserves and — indicates rise in reserves) Source: Nicaraguan Government.

making the case that Nicaragua of the attitude adopted by Moshas fallen a victim to international Marxism-Leninism and that the country will soon become a central American Cuba the Soviets feel with the Sandiif it has not already become

commentaries analyses are based on news such as that the Castro government has sent 1,500 Cubans to help with the Nicaraguan literacy crusade, that Aeroflot has opened a new route from Moscow to Managua, that Cubans are giving advice to the police and security authorities and that the Nicaraguan Army has bought a number of military trucks from the East Germany

on easy credit. It would be dangerous, however, to over emphasise the importance of such happenings. The Soviets have given no sign yet that they intend to take any important economic or financial step to make life easier for the Sandinista Government in its first years of life. Perhaps conscious of the drain on its resources that support of the fore that the Sandinistas would Cuban Government is costing it, have the same outlook on the and wishing to husband its own world that the U.S. has, for in- stocks of hard currency, Mos- Basin. nistas with significant funds, or

DEMOGRAPHIC INDICATORS

(000s)

1978

2.244

1,150

1,094

683

1977

2.325

1,206

1.119

1978

2,409

1.265

1,145

740

1975

2,162

1.089

1,073

655

Source: CEPAL.

cow in 1972 towards the hard-pressed Government of Dr. Salvador Allende in Chile. Perhaps nistas—as they appeared to feel with the Chileans—that there would be no guarantee as such undeviating political loyalty as would justify a large investment of funds in a faraway country.

Whatever the reasons, it is clear that the Sandinista revolution is not being run on Russian roubles but rather a mixture of money from some international financial institutions, some large cheques in Deutschmarks and soon perhaps some U.S. taxpayers' dollars,

Soviet caution

In cautious mood the Soviet Ambassador has been telling local politicians that the Sandinista Government should do its best not to fall out with the private sector, statements that have been interpreted as meaning that Moscow does not want to find itself subsidising a second country in the Caribbean

In the past the Sandinistas have been able to count on good friends in Cuba, which is currently helping with what resources it has available—which do not include money; and from

1979

2,479

1980

2,568

Venezuela which was a bulwark for the Sandinistas before the democratic president Carlos Andres Perez gave way recently to Christian Democrat President Luis Herrera Campins. Gen. Torrijos in Panama has certainly been helpful while President Rodrigo Carazo in neighbouring Costa Rica discreetly gave the Sandinistas safe haven before they overthrew the Somozas.

Mexico, which was quietly helpful in the overthrow of the dictatorship, is now coming for-ward with attractive oil credit

Britzin, which once controlled the Mosquito Coast on the Atlantic side of Nicaragua as a protectorate, no longer maintains an embassy in Managua throw of General Anastasio Somoza last year, Lord Carrington, the British Foreign Secretary, publicly stated that Britain was in no hurry to recognise the Sandinistas.

As one of his first acts on being named Foreign Minister -an act which surprised many -Father Miguel d'Escoto, a Maryknoll priest, reaffirmed Nicaragua's sovereignty over over the Caribbean islands of San Andres and Providencia which are now administered by Colombia. Father d'Escoto explains the action with reference to historical documents of the empire and what he says is the invalidity of the treaty that the U.S. persuaded Nicaragua to sign with Colombia which acknowledged Colombian jurisdiction.

At stake in present day economic terms is control of an enormous continental shelf which stretches nearly as far as Jamaica and which the Nicaraguans feel could one day enormous underseas

Eye on El Salvador

But apart from the task of enlisting the maximum foreign help for Nicaragua, the prin-cipal foreign policy task of the Sandinistas is to keep an anxious eye on the situation in El Salvador in particular but also on Guatemala and Honduras. In Honduras former Somoza soldiers are encamped and present at least a potential threat to Nicaragua's northern

The Nicaraguan Government has from time to time expressed its moral support for the moderate Left-wing and radical forces which are fighting to overthrow the increasingly isolated and exasperated junta in San Salvador and there is little doubt that the majority of Nicaraguans see the fight next door as something similar to the one they had to wage to be rid of the Somozas. Yet the Sandinistas strongly deny that they are giving any material help to the Salvadorean

guerrillas. It is clear that the authorities in Managua want a quick end to the fighting in El Salvador and not least because the longer it goes on the greater is the chance of some foreign intervention, perhaps by some U.S.-backed military force. Such intervention, the Salvadoreans fear, could lead to the "Vietnamisation" of Central America.

And increased violence next door could also strengthen the present relatively easy-going political climate and who want the emergence of some more militaristic and sectarian Leftwing regime in Managua.

-358 1,263 Capital expenditures Total surplus or deficit Balance of payments deficit under control

817

"THERE IS no balance of payments problem in Nicaragua." says Haroldo Montealegre, the young Minister in charge of the International Reconstruction Fund (FIR), who is responsible for regulating the level of the country's indebtedness. It is a brave, some would say

over-confident, statement to

make on behalf of a country

whose economy a year ago lay in ruins; whose gross national product fell 37 per cent last year; which found itself with a debt burden of more than \$1.5bn for a population of 2.5m; and which is likely to have a big deficit on its balance of trade in invisibles account this year. But Montealegre argues that it is true. His office is on the 13th floor of the Banco de America building, the only high-rise building in Managua and one which escaped the destruction of the 1972 earthquake. He looks out over several square miles which once was the most highly-populated spot in the country but which is now covered by luxuriant

was severely damaged in last year's fighting.
Despite the destruction
Montealegre, who like many with authority in the Government, looks scarcely out of his mid-20s, the situation of the foreign debt is being brought under control and foreign aid has flowed in fast.

tropical weeds. And much of

what was not destroyed in 1972

Foreign debt

As soon as Somoza rule was ended last year, the Sandinista got down to grappling with the country's foreign debt. It was clear that the ravaged country could not honour the terms of the loans contracted by the outgoing regime which borrowed a great deal of money from foreign lenders, not for investment in Nicaragua but for has no role to play in the formatransfer to accounts outside the tion of economic policy in country. When Gen Somoza Nicaragua. On second thoughts left there was a mere \$3.5m remaining in foreign exchange remaining in foreign exchange orrect, says Montealegre in the Government's coffers. Relations with the Internation new authorities therefore American Development Bank convened the many scores of have been several degrees foreign creditor banks to start warmer. The IDB was quick to discussing realistic repayment come to the aid of the Governterms.

steering committee, consisting eager to put its money to use of Lloyds-whose local affiliate, quickly. A fortnight ago the the Banco de Loudres, had been hand of those in Nicaragua it one of the biggest foreign Mena, made a quick visit to self who are impatient with the operators in the Nicaraguan Nicaragua where he signed financial market—U.S. institu- agreements for the provision of tions and Japanese and West funds for new feasibility studies.

European lenders. The two Sr. Ortiz Mena expressed a sides have been discussing ways good deal of satisfaction at the of stretching \$720m of loans for way one \$37m credit for agricul-

are courting, has given the state enterprises. Sandinistas its backing.

No one pretends that the negotiations have been easy. The banks have realised that there is little money for anything in Nicaragua but the present government at least had not reneged on the debts run up by the Somoza regime. The Sandinistas have sought the best terms and additionally

have made it clear that they

would not agree to any further squeeze of the shattered economy nor any major cutback in economic activity, since they felt Nicaragua had suffered enough and that the population was looking for some relief from the horrors of the war. Nicaragua's relations with the multi-lateral financial institutions have been varied. As might have been expected, the Sandinistas have taken a cautious line towards the International Monetary Fund. In a controversial decision which appeared to many to lack prudent financial realism, the Fund granted the Somoza regime a package of loans only a few weeks before it fell, arguing that the then government was passing through temporary difficulties.

Most of the IMF advances Relations with the Fund are cordial but we have made clear that we consider the IMF you might say our relations are

ment at the end of the war last-These banks elected a small year and the Nicaraguans were IDB president, Sr. Autonic Ortiz

borrowed with a Nicaraguan period seemed as though it government guarantee. would be put to work within one Some of the meetings have year. It seems as though the IDB been taking place in Mexico will shortly be coming up with City where the Mexican Govern- a further \$95m for agricultural ment, whom many foreign banks development and support of new

In the energy sphere Sr. Ortiz Mena mentioned the Interest of the Bank in the possibilities of geothermal power generation in Nicaragua using heat from some of the active volcanoes which dot the horizon round Managua. It is little wonder that the local office of the HDB is recruiting more staff to cope with the rush of work it is handling.

Aid delayed

As the accompanying table shows, the World Bank and the West German Kredietanstalt für Wiederaufbau are also contributing appreciable funds for the Nicaraguan reconstruction

Inevitably, however, much attention has been concentrated on whether the U.S. government would assist a government whose accession to power last year was widely regarded as a disaster in Washington Directly the Sandinistas came to power the U.S. Government pledged support and discussions centered on a USAID package of \$75m which the authorities in Managua hoped would be made available fairly quickly.

In reality, however, the dishave been repaid and Nicaragua, cussions about the conditions meanwhile, has seen its quota of attaching to the aid and the Special Drawing Rights in controversy the whole project creased to about \$5im, aroused in the U.S. legislature. Nicaragua is not currently in have meant that only now 12 receipt of any balance of pay months after the end of the ments support from the Fund, war, are the funds formally

PRINCIPAL EXPORT TEMS. (value in Sm)

.1978

COLLON	140.9	33.7
Coffee	199.6	162.0
Sugar	19.6	35.7
Beef	67.7	71.5
Lobster and		
Shrimp	14.7	39.8
Chemicals	52.1	56.0
Textiles.	11.5	10.4
Gold	6.1	23.4
TOTAL (21)	.,,,,	ر : محصوب به دن رواد و رواد
export (tems)	645.2	524.3

Nicaraguan Governo

FINANCIAL TIMES SURVEY Monday July 28 1090

Micaragua

In the year since General Somoza was ousted from power after 10 months of bloody fighting the ruling Sandinista Front has set about reconstructing the country. It aims to turn Nicaragua into a stable and prosperous State with an important role for private business, with room for diverse political opinions and with respect for human rights. Hugh O'Shaughnessy reports.

Popular victors take control

SAYS A senior diplomat: "We Managua a year ago the situaare living through a worst tion was desolate in contingency situation here in Nicaragua — that is to say that our worst forecasts have come true. But it really isn't that bad. I think we misjudged the Sandinistas and were really ignorant about them."

A year after the fall of Gen. Anastasio Somoza Debayle, last of a dynasty which controlled this Central American country for nearly five decades, the remark of a diplomat stationed in Managua sums up the feelings of many nonfeelings of many non-Nicaraguans. They feared anarchy, chaos and bloodshed would come about after the guerrilla army-the spearhead of a general insurrection against Latin America's oldest surviving

relief of many, the corruption and despotism of the Somozas has not been replaced by a totalitarian Leninism. If of the population needed emergoes well for the country, it gency feeding. will emerge from the frantic Damage to property was reconstruction effort that is grave, \$38m to dwellings alone

are good grounds for feeling it could—then Nicaragua would emerge as an island of stability and moderate prosperity in a region otherwise bedevilled by violence and

When the Sandinista Front for National Liberation (FSLN) result of looting as the main took the reins of power in stores in the principal cities Managua a year ago the situa-affected were ransacked before

against Somoza rule set the by all Nicaraguans except his country alight Nicaragua was very small coterie of court still suffering from the effects of the 1972 earthquake which had enjoyed the support of all Even before the insurrection flattened the centre of the capital and caused damage totalling many millions of dollars. The violence of nature is to be seen to this day in the ruined city where a gridiron pattern of streets are often the only clue that Managua was once a bustling and crowded metro-

Then, from September 1978, came ten months of fighting which claimed the lives of 35,000 people, the majority of dictatorship—took over.

The reality of the situation people, or 1.5 per cent of the country's population. About 100,000 people were wounded, 150,000 had to quit their homes, and 1m people or 40 per cent

currently going on and become out of total damage estimated a society where political by the UN at nearly \$80m for pluralism and human rights are the country as a whole.

respected, where private Though the agricultural who had not already lost business is given an important potential of the country was place in the economic scheme clearly not as affected as the of things, and the needs of the physical infrastructure, the war poorest sections of the played havoc with the sowing community are given priority. Of the cotton crop, one of the tion. If this happens—and there two agricultural exports on are good grounds for feeling which Nicaragua depends for that it could—then Nicaragua its living. Only 36,000 hectares of cotton were planted in 1979 where 175,000 hectares had been planted before.

Ransacked

Traders suffered badly as the the Sandinistas restored order. Such was the universal odium in which Gen. Somoza was held

had enjoyed the support of all strata of society well before their victory. Prominent among Somoza's opponents, for instance, were members of the Conservative Party. The killing by Somoza's men a prominent Conservative newspaper owner, Sr. Pedro Joaquin Chamorro of La Prensa, in fact signalled the

well, had no reason to love the Somozas or withdraw their nationalist who fought against co-operation from the Sandinistas. For long the dictatorship had given the impression killed by the first member of the control of the contr that it wanted to monopolise all lucrative enterprises for itself. Somoza Garcia in 1934.
In agriculture the dictatorship As the uprising, aga held a total of about 350,000 hectares of land, 60,000 hectares tilled, 100,000 hectares for graz-

ing and the rest left wild.

As the war continued those members of the middle-class

of the Catholic Church, a reasonably powerful organisa-tion in Nicaragua. Though it had not been a vocal opponent of the Somozas in the earlier decades of their rule, its opposition to them increased during the 1970s. Many members of the Church became senior Sandinistas and one priest,

Father Gaspar Garcia Laviana, became an active guerrilla himself and was killed in battle. Shortly before the dictatorship was overthrown, the Nicaraguan bishops issued a statement which acknowledged the "moral and legal legitimacy'

of the insurrection. Nor were the Sandinistas themselves a tightly-knit and ideologically sectarian group. Three tendencies, the "proletariens," the "prolonged people's war" and the "terceristas" reflected distinct currents of opinion within the movement. These were at times mutually hostile within the conbeginning of that wave of popu-lar revulsion which ended founded in 1962 by Carlos in the dictator being tipped out Fonseca Amador and dedicated of office. Nicaraguan business, to the memory of General text of a clandestine movement to the memory of General Augusto Cesar Sandino, a killed by the first member of the dynasty, General Anastasio

> As the uprising against the dictatorship prospered in 1978 and 1979, the three factions learnt mutual tolerance of each other's political views which extended from Conservative to

BASIC STATISTICS 130,000 sq km Population: 2.48m (1979) 9,535m Cordobas (estimate 1979) Per capita: 3,845 Cordobas

Trade (1979) Exports: \$576m Imports: \$340m Trade with UK (1979) Imports: £3,229,000 Exports: £895,000 Currency: £=23.60 Cordobas

Thus it was a very heterogeneous bunch which finally achieved the overthrow of the dictatorship on July 19, 1979. All points of view which had opposed the Somoza regime were allowed to be heard in the were allowed to be heard in the months after the guerrilla victory and many Catholic priests were appointed to top positions in the Government. Father Miguel d'Escoto, a Maryknoll priest, is today Foreign Minister, another, Father Ernesto Cardenal, is Culture Minister, and Father Minister, and Father Fernando Cardenal is in charge of the National Literacy Crusade which is one of the principal domestic successes of the Sandinistas in their first year

Key roles

and their influence is such in some quarters that, for instance, is referred to by wits as the dinista revolution with offers Monastery of External Affairs. of money. It is true that East And even if such a broad and Germany and Cuba exert an And even if such a broad and novel coalition of business and influence in the police and



working-class, Marxist and religious, oligarch with revo-lutionary is not to the taste of some Leninist purists, in the time of President Allende, Nicaragua seems scarcely able that they could not be sure to afford to follow any sort of enough that the Latin Americans sectarian or totalitarian path cans would be reliable enough which would drive out of the politically to give them a return country the skilled people that on their investment, have not it needs for its reconstruction and development

Nicaragua, unlike Cuba, is not an island and faces the problem course, they have no financial the north, El Salvador, Honduras, and Guatemala, the first and last of which are already engaged in a ferocious

The ravaged economy has been helped greatly by financial contributions for the international financial agencies and from Western Europe where the Sandinistas enjoy no little political sympathy. Even the U.S., which up to a year ago was doing its best to block a Sandinista victory, has decided In all, about 25 clergy are to aid the new Government in key roles in the Government Nor is there much sign the Nor is there much sign that the Soviet Union or the East European countries are rushing the Ministry of External Affairs to capture the heart of the San-

and security organisations. But the Communist powers, perhaps feeling as they did with Chile given much financial assistance to the new Nicaragua. In the case of the Cubans, of

of defending its northern border aid to give and reportedly have against turbulent and poten. warned the Sandinistas not to tially unfriendly neighbours in make the same mistakes of cutmake the same mistakes of cut-ting their links with the West and with their own private sector that President Fidel Castro did. One leading Conservative politician says that he received the same message from the Soviet ambas-sador himself.

To report this is not to imply that the Sandinistas have not got minds and opinions of their They have demonstrated that they resent foreigners who seek to run their country. They see their revolution as a move against Washington's crushing influence in Nicaragua but since the revolution they have also expelled meddlesome foreign from many countries who wanted to run their civil affairs for them.

Foreign affairs Balance of payments Personal profiles The economy

As the reconstruction process gets into its stride the San-dinistas are building up their own political and economic Power rests in the FSLN, the guerrilla movement which organised the overthrow of the dictatorship. The leader-ship of the FSLN resides in a group of nine commanders of the Revolution who exert a collegiate rule.

Elections have been promised though no date has yet been set

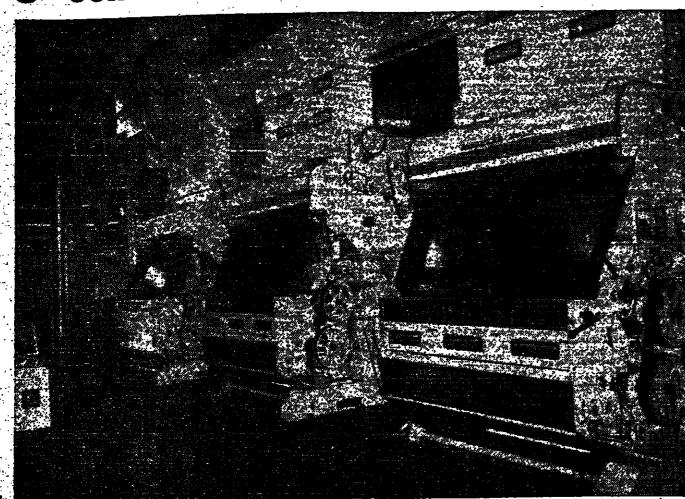
Despite its hostility to the omozas, the business Somozas. community was understandably apprehensive as the guerrillas took over. It has now recovered some of its composure as the work of reconstruction goes ahead, providing contracts and

CONTINUED ON NEXT PAGE

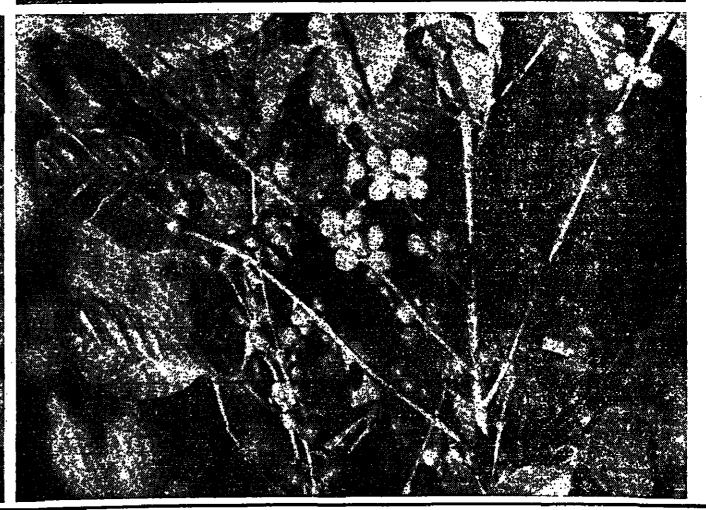
LAMAUU

A COUNTRY WITH A MIXED ECONOMY WITH THE PARTICIPATION

- 1-AREA OF THE PEOPLE'S PROPERTY
- 2—THE PRIVATE SECTOR
- 3-JOINT PUBLIC-PRIVATE CAPITAL









The "reactivation" of our economy is a must for our people, that demands the scientific planning of our economic development. The Ministry of Foreign Trade, which reflects this scientific attitude, has created a structure which guarantees the solid and constant development of Nicaragua's international trading of resources and requirements.

The Foreign Trade Companies of the Ministry, that set up the executive mechanism of Nicaragua's commercial policy, are:

> EMPRESA NICARAGÜENSE DEL CAFE Markets coffee exports P.O. Box No. 2482 Telex: 1337, 1376 ENCAFE Tel: 75566, 75572

EMPRESA NICARAGÜENSE DEL ALGODON Markets exports of cotton and cotton by-products as well as oilseeds. P.O. Box No. 3648 Telex: 1368 ENAL Tel: 96521/22

EMPRESA NICARAGÜENSE DE LA CARNE Markets exports of meats P.O. Box No. C-11 Telex: 1062 ENCARENIA Tel: 70519/20

EMPRESA NICARAGÜENSE DEL AZUCAR Markets sugar and molasses exports P.O. Box No. 3245 Telex: 1273 ENAZUCAR

Tel: 96039, 96044

EMPRESA NICARAGÜENSE DE PROMOCION DE EXPORTACIONES

> Promotes and markets exports of non-traditional products, including handicrafts and industrial products.

P.O. Box No. 1449 Telex: 1349 EXPOR Tel: 22005

EMPRESA NICARAGÜENSE DEL BANANO Participates in the marketing of the country's banana crop. P.O. Box No. 3433 Tel: 96575



The state import firms responsible for the purchase of some basic consumption goods and materials for production, are:

> EMPRESA NICARAGUENSE DE INSUMOS **AGROPECUARIOS**

Purchases the needs of the state and private firms for agricultural inputs. Also responsible for the import of commodities for domestic consumption.

> P.O. Box No. C-11 Telex: 1062 ENCARENIA Tel: 70621, 70733

EMPRESA NICARAGÜENSE DE IMPORTACIONES

Responsible for the importation of capital goods, raw materials and other needs of the state sector. At the same time it is the only entity authorized . to purchase the petroleum needs of the country.

> P.O. Box No. 2793 Telex: 1366 ENCAFE Tel: 96575, 96820/21

The Ministry has also opened Foreign Trade Offices in London, Madrid, New Orleans and San José, Costa Rica, to attend commercial requests and information on Nicaragua.

COMMERCIAL OFFICE IN LONDON

8 Gloucester Road London (S. W. 7) England Tel: No. 584-3231

COMMERCIAL OFFICE IN NEW ORLEANS

203 Carondelet Street Suite 807 New Orleans, Louisiana 70130 Tel: Area code: 504, 835-8561

MINISTERIO DE COMERCIO EXTERIOR

Close liaison with the State

ever did with the previous one," says Tim Wilson, 44, the British because the workers had had Nicaragüense

BAT bought a local cigarette duces all of the country's destroy a factory producing a Honduras. eigarettes in Tanic which has very politically sensitive item. an annual turnover of about \$45m. BAT has also helped years with BAT, backs up his develop the local tobacco grow- claim to have better relations cigar makers were not sorry to ing industry so that today it with the Sandinistas by pointing provides all but a tiny percento a number of events over the tage of the leaf Tanic uses, past year. The factory itself and is beginning to export.

The factory lies in the only duction only four days after departure the State found itself industrial complex the country the end of the war, turning out running the Esteli cigar indushas got, a fringe of factories on the road into Managua from the airport. It employs nearly 300 people and escaped almost unscathed in last year's war. For set for a carton of cigarettes." a time the plant operated as a Other tobacco manufacturers a time the plant operated as a Red Cross centre treating the

"To have survived the war good security system and a con- try which by the time the

younger. She is dressed casually

in a plan blouse and jeans in

the manner of some well-bred

English high school girl. Her

office is sparse and neat; she

does not appear to smoke. As

political secretary of the FSLN

or Sandinista Front in Leon, a city of 90,000 people, the former

capital and today the second

city in Nicaragua, she is one of

of the most powerful — or

perhaps better one of the most

influential—people in the

country.

Her life story and present

attitudes are typical of the

generation of former guerrillas

who are running Nicaragua. Her

father, an agricultural tech-

England, More prosperous than

the mass of his countrymen, he

sent his daughter to a fee-pay-

ing religious school in Leun involved in

where in the early 1970s she which

in charge for the moment of ment in the past and many to Havanas themselves. the company's local subsidiary plants were attacked because none of the workers wanted to that the Sandinistas would be defend them.

Wilson, who has spent 21

was brought back into full propackets of cigarettes which for a time served as a sort of local currency. "At one time you could get five chickens or a TV

took a more short term and alarmist view of the incoming government. In the northern a company had to have three town of Esteli refugees from things: a good deal of luck, a Cuba had set up a cigar indus-

ing Catholic girls.

In the early 1970s Marta

Cranshaw's good works among

the poor of her home town,

though at the time devoid of

were discouraged by the Somoza regime which saw them as

In 1973 she started a medical

degree at Leon University and

her political education started

in earnest. As she recounts it today, the overthrow of the

Government of Dr. Salvador

Allende in Chile in 1978 had a

profound effect on her thinking

the then clandestine Sandinista

guerrilla movement among her college friends. She became

became caught up in social work squatted on the land of major believes was information wrung

landless

movements in

peasants

potentially subversive.

Clandestine

nician, traced his family, like and at the same time she came

with this government than we had all three," Mr. Wilson says. was turning out some excellent "Many plants were looted products such as La Joya de Nicaragua which the British American Tobacco man who is bad experience with manage- cigar trade rated second only

The Cubans, however, fearing another version of Castro. "In our case another factor swiftly decamped, taking some manufacturing company more which helped was that neither of their machinery with them than 20 years ago and now pro- side in the war wanted to over the northern border into

They were not known as good payers either, and the impression is that many of the women see them leave.

Thrown together As a result of the Cubans'

try and involved in maintaining the local producers of the highwrapper and filler quality leaves. Agroinra, the State organisa-

tion, and BAT were therefore thrown together as the two biggest buyers of leaf in the country-which had its consequences when earlier this year blue mould disease broke out in Central America and started

She was still in her teens

when in 1975 the Sandinistas

decided to withdraw her into

the mountains because her face

well-known to the Somoza

police. In the mountains north

of Leon she had her baptism of fire when the Sandinistas took

on the Somoza national guard

the battle of El Sauce. After

El Sauce, which did not go as

well for the guerrillas as they

had hoped, Marta Cranshaw was

sent to organise Sandinista cells

among the workers of the port

She carried off this unlikely

task for a young girl by passing

herself off at times as a tourist,

at times as a visitor from another part of the country. On

May 16, 1977 she was captured

by Somoza police after what she

what has become known as

any active political content, and activities were becoming too

"WE WORK more closely tented workforce; I think we revolution in Nicaragua came blighting the tobacco plants in Nicaragua.

> As the spores which cause the disease multiply at the rate of 30 per cent a day and are as partial to the leaf of tobacco grown for a British multinational as for that for a State company, both had to move fast, BAT imported \$300,000-worth of chemicals from Ciba Geigy of Switzerland, sold a share to Agroinra and both organisations started an immediate mergency campaign which had plants up and down the countr ysprayed within three days, using air-

craft, helicopters, man packs

and mules.

The match monopoly was used as a private source of funds and political rewar dby Somoza and no marketing system was ever set up. In the months after the revolution matches were a contimes 30 cents a box. This month, therefore, the

was given the task of co-ordinatorture. Then started 16 mouths of her former comrades who are tion and political education.

of confinement in the police the ultimate source of all

She was finally freed in August

1978 after the Sandinistas had

Congress building and swapped

the hostages they took there for the guerrilla leaders in

For the past four months she

has been the delegate of the

Sandinista Front in Nicaragua.

She has no direct responsibility

for the municipal life of Leon,

which is run by a small

committee, or, say, of the literacy crusade which is run

from a house next to her office,

or of the Army or police. These

all respond to their respective

ministries or national organisa-

tions and ultimately to the five-

Her channels of communica-

tion are rather with the Sandi-

man ruling junta.

captured

the Nicaraguan

leadership of the

headquarters in Managua, half authority in the country.
of it in solitary confinement. "People come to me for things

Woman of influence in the new democracy

they want out of the Ministries," she said to me after she had fixed up a meeting with the local traders who wanted to see her about the state of the retail Marta Cranshaw is really not

when they can't get the replies

much interested in the world outside the Western hemisphere, or at least she gives that impression. She is most interested in her immediate task in Ours is a democratic revolu-

tion, really deeply democratic and we are determined it will stay that way. It came about through a union of working people and patriotic people in the middle class; our aim is to continue the tremendous unity we succeeded in forging in the fight to overthrow Somoza."



Mr. Tim Wilson

Government, which now owns the match factory, and BAT signed an agreement under which the latter would market matches through its distribution channels with the aim of keepcorrect the extreme disparities of wealth which are one of the ing the black market at bay. most sinister inheritances of It would, of course, be false Somoza rule..

Recently, BAT and the Gov- to give the impression that the ernment have collaborated year since the revolution has again, this time over the been a honeymoon for Govern-question of match distribution. ment and foreign business—or even local business. Wilson confesses that he has gone through times of worry about Government policies as well as times of hope for his company's future in Nicaragua. No foreign stant course of speculation as company for instance is likely wholesalers hoarded and sent to welcome the 40 per cent tax prices up from the equivalent on dividends remitted abroad. of U.S. 6 cents a box to some- So far, however, BAT and the Government have worked out a

MARTA CRANSHAW is in her among the poorer people, in landowners of the region and from a fellow guerrilla under nista Front itself, the collection mid-twenties and looks rather company with other well-mean was given the task of co-ordinatorture. Then started 16 months of her former comrades who are blocks. In addition the State has taken over, against compensation the terms of which have still to be finally fixed in detail, locally owned banks and all foreign trade.

country's civic organisations

and representatives of the pri-

vate sector, is basic to any un-derstanding of the economic

process-indeed of the political

process—going on in Nicaragua

The position of the State, which in the past was very

feeble when compared to the

large personal assets of the

strengthened by the nationalisa-

tion of lands and companies con-

fiscated from them. These totalled some 350,000 hectares

and included some 2,000 com-

panies engaged in every com-

family, has been

Infusion

Many, though not all, of these banks had been placed in very straitened circumstances by the large devaluation of the cordoba decreed by General Somoza last year which vastly increased the local currency they needed to meet the foreign obligations they had contracted. The locally owned banking system could not have survived in its original form without a

large infusion of state funds.
With the title of National Financial System, it is now reorganised into five banks, each of which provides one of a number of services ranging from ordinary commercial banking to mortgage financing or ing countries and there has American economies.

THE EMERGENCY plan to resimilar savings accounts. The been a problem with goods activate the economy, published foreign-owned banks have been being sninggled out of the on January 14, is nothing if allowed to continue operations country, to war form El Salvanot ambitious. It aims to ex- though they have been stopped pand the economy from the from taking cordoba deposits. disasterously low levels of This has necessitated in the activity experienced last year case of the local Lloyds affiliate This has necessitated in the

Ambitious plan to

raise production

staff, though the Banco de Londres, as it is known, seems to be prospering on new business generated by the demand for letters of credit for The plan, which was pre-pared by a team of 200 tech-nicians in consultation with the importers.
This financially stronger state

is today seeking a partnership with organised labour and the private sector with the aim of bringing back production levels this year nearly to the levels of 1978 and next year to achieve the "normal" levels of 1977. The aim is to create 95,000 new jobs, more than half of them in the farm sector, and bring unemployment and under-

employment down from 28 per cent last year to 17 per cent this year. A Government budget deficit of \$254m on expenditures of \$577m, is expected to be financed by local borrowing of \$31m and foreign financing The new control the incom-

mercial activity from running an airline to making páving ing Government has assumed over the economy has not led to any large measure of fiscal irresponsibility such as has happened elsewhere in Latin America. There has been no resource to printing money to cover the Government deficit. We have not tried to suspend the laws of value or to pretend that the problems of inflation would not occur in a revolution-ary situation," commented a senior member of the Planning Ministry.

The Sandinistas had hoped that Nicaraguan inflation soon to be found.
this year would be funning at Local cotton couless than 25 per cent, that is to more widely in the say a little in excess of the general level of price rises in Central America as a region. In tion was higher than expected and Nicaragua has had to live with about 30 per cent a year,

Nicaragua than in neighbour-

dor in particular.

The process of keeping infintion within bounds has been case of the local Lloyds affiliate, helped by the fact that there and at the same time to redistribute national income to help operation and the laying off of ductive capacity and that the ductive capacity and that the the spare capacity back late operation.

There is evidence to that better supervision of some industries could quickly improve their worth to the country. Some tobacco exporters got into the habit of under-invoicing the leaf they shipped abroad creaming off the profits in the U.S. and the Government alleges that the same was done for many years by the gold mining companies in the eastern department of Zelayz.

Great potential

As far as the possibilities for the expansion of the produc-tive base of the economy is concemed, observers, whether sympathetic to the Government or to its opponents, agree that the potential is very great. There is much idle land of the sort which is producing most of domestic food requirements, wheat apart.

There is much spare land too for the comparatively small population of 21m to increase the production of export crops such as coffee cotton and beef. The Government has plans for a large increase in the production of fish and sea food.

In the mineral sector the 67,000 trey ounces of gold should bring in \$23.5m this year, four times what the same volume brought in in 1978, and there could be uranium and oil

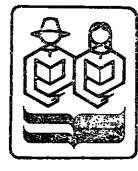
Local cotton could be used more widely in the existing textile industry and a small chemical industry which already sells its products up and down Cenfact the regional level of inflatral America could be expanded.

With a large range of export products and the natural resources for a big expansion of its productive base the Nicar-Despite that the prices of its productive base the Micarmany items are lower in aguan economy is a great deal less volnerable than many Latin

Victor :

The the tissue Parties Service August 1980

Bar S4 L Long



The Great NATIONAL LITERACY CRUSADE. Nicaragua ENORMOUS EFFORT OF A PEOPLE TO OVERCOME IGNORANCE

Fifty per cent of all Nicaraguans did not know how to

Today we are learning by our own efforts and with the aid of the generous international support that arrived when people saw the enormity of the undertaking.

We have received more than ten million dollars from other countries, yet we need at least another ten million to complete our great task.

The most important objectives of the LITERACY CRUSADE are:

1) To extend to the entire Nicaraguan people the social and economic benefits offered by the Sandinista Revolution.

2) To teach more than fifty per cent of Nicaraguans how to read so that they can become part of the process of improving our agricultural and industrial sectors.

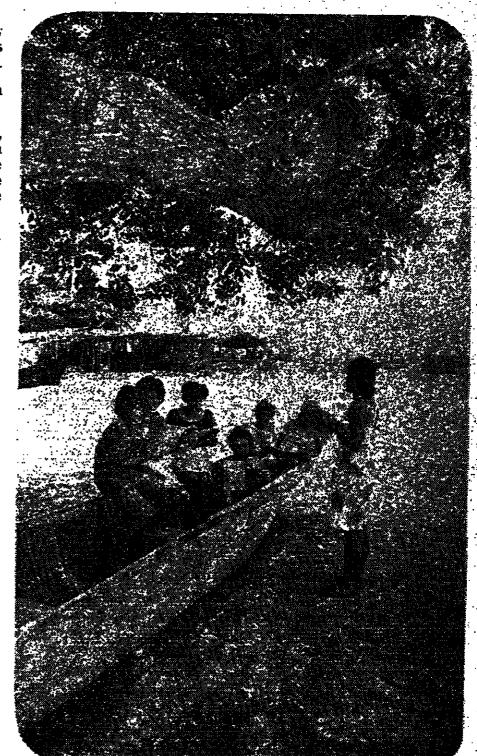
3) To lay the foundation for the immediate next step, a permanent Programme of Adult Education.

We are approaching the final phase of a programme, undertaken over an impressively short period, with a level of planning and development that has earned the enthusiasm of the international observers who have visited from such organisations as UNESCO, the Organisation of American States and others.

We are asking for the solidarity and support of the world community.



IF YOU WOULD LIKE TO HELP, please send your cheque to:



NATIONAL LITERACY CRUSADE Account No 51-57 Banco Central, Managua, Nicaragua.

Dian Economic planner for British Gas

been appointed head of regional coordination in economic plan-ning division at BRITISH GAS HQ in London from August 1. He will co-ordinate regional head of corporate planning and management services for East Midlands Gas Region in Leices ter and prior to this spent 15 years working for Esso Petroam and Gulf Oil.

Mr. Roy S. Hillyard has been appointed managing director of GEECO PRODUCTS, a subsidiary of McKechnie Brothers. He was previously with Eutectic.

Mr. M. R. N. Moore has been appointed a director of F. H. TOMKINS.

* The Secretary for the Environ-ment has appointed the Viscount of Arbuthmott as deputy chair-MANCY COUNCIL for three griars. He will also be chairman of the council's Advisory Com-grittee for Scotland.

The Home Secretary has appointed Miss S. M. Ritchie and Mr. M. Mortand, as members of the CRIMINAL INJURIES COM-PENSATION BOARD.

My Michael Neuman has been appointed a director of LONDON AIRTAXI CENTRE.

Mr. Adrian N. Hinwood has them appointed a director of GLOBAL CLEANING CON-FRACTS (HOLDINGS) and Mr. Hichard W. Crook becomes a idirector of Global Franchise Services.

Mr. Alan Moss, managing director, Chromoworks, is to join the Board of Petty and Sons, and Mr. Kenneth Petty, manag ing director, Petty and Sons, becomes a member of the Board of Chromoworks. BPC is the parent concern.

55 Mr. S. W. Calcroft has been appointed an associate director of BRADSTOCK BLUNT (NOR-

Mr. C. Alastair Ogilvy, director of the REINSURANCE OFFICES SASSOCIATION, will retire on November 30 and will be sucreeded by Mr. Russell H. G. Chilvers, at present assistant

Mr. Derek Sandford has been appointed to the Board of AYLE-STONE METAL (REFINING) as commercial director.

* Mr. John Jones has been appointed sales director and Mr. Stan Jones, associate director, of MULTIGLASS, a member of the

Aygee Group. become managing director of director of its minicomputer EP BARRUS in place of Mr. P. A. and terminals division. Barrus, who has retired from that position but remains chair-

Mr. George Troughton has been appointed a director and general manager of TORRANCE AND SONS, a subsidiary of Stothert and Pitt.

Mr. A. D. Rapley is to join LESLIE AND GODWIN (UK) on August 1 as director responservicing within London. He was formerly with C. T. Bowring UK.

Mr. Ole K. Roed has been appointed deputy managing director of BANQUE NORD-EUROPE S.A. in Luxembourg. He was previously with the

Mr. Derek Portsmouth has in charge of its Sandi Arabian

Mr. John Geiling has been HQ in London from August 1. appointed managing director of He will co-ordinate regional ST. PAUL'S EMPLOYMENT planning activities and effect AGENCY from August 1 to itaison between HQ and regions succeed Mr. Jean Meriler who is on planning problems. Since to take up a position with ECCO 1971 Mr. Portsmouth has been S.A., France, Mr. Gelling was S.A., France. Mr. Gelling was previously deputy managing director of Private Patients

> Mr. John K. Flowers has been appointed senior assistant general manager of WORLD WIDE ASSURANCE COMPANY and Mr. Gyles Taylor has become

Mr. Kenneth G. Wright has been appointed a director of STERLING GUARDS from September 1.

Mr. John N. C. James, a trustee of the Grosvenor Estate, has been elected president of the ROYAL INSTITUTION OF CHARTERED SURVEYORS.

Mr. John R. Williams and Mr. J. Richard Owen have been appointed directors of JAMES BUCHANAN AND CO. Mr. Williams remains company secretary. Mr. Owen continues to be responsible for the EEC countries, Austria and Switzerland and will take over additional export market areas.

Mr. Frank Burditt has been appointed to the main board of the TRAVIS and ARNOLD GROUP. He has been responsible for the integration of Ellis and Everard Building Supplies acquired by the Travis and Arnold Group in 1978.

Lord Westbury has been appointed non-executive chairman of MERU GROUP on the retirement of Mr. Leonard Pearl, who had been chairman since 1970.

Dr. M. R. Scott has been appointed group planning director of HARGREAVES GROUP from October 1. He will relinquish his post as chief execu-tive of its associate company, Hargreaves Fertilisers, but re-main on the Board.

Mr. E. G. Everett has been appointed to the Board of PENTLAND OIL EXPLORA-TION. Until his retirement, Mr. Everett was a director of Shell U.K. Exploration and Produc-

Lord Ampthill has been appointed to the board of DUALVEST, a company managed by MONTAGU MANAGEMENT.

Mr. Vincent Gargaro has been appointed director of marketing at PLESSEY COMMUNICATIONS AND DATA SYSTEMS.

He was previously with Honey Mr. Robert G. Bennett has well Information Services as

Mr. Jan Birkenheim, Mr. David

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last

COMPANY MEETINGS—

British Cinematobroph Theatre, 9,11, Richmond Bullelings, Dean Street, W. 12,00
Cameron CJ. W., Greenayan, Offices, Lion Brewery, Hartlesool, 16,30
Dominjoh and Gen. Tst., 3, Albyn Place Edinburgh, 12,00
Hill (Phillip) Inv. Tst., 1, Brewer's Green, Buckingnam Grte, SW. 2,20
Property Holding and Inv. Tst., Europa Hottel, Grossenor Square, W. 12,15
Scottros, Alhany Hotel, Bothwell Street, Glasgow, 12,00
Town and City Props., Winchester House, 100, Old Broad Street, EC. 10,30
Winterort Blackfriars House, Parsonage, Manchester, 12,00
BOARD MEETINGS—

Finals:
Gresham Inv. Tst. Lex Service
River and Mercantile Tst.
River Plato and Con. lev. Tst.
DIVIDENO & MYTEREST PAYMENTS—
Airlow Streamlines 10pcPt, 21pc
Ailabote Lin. 31pc
Ailabote Tst. 1st. Db. 41pc
Ailabote Tst. 1st. Db. 24pc
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Flasts
Gresham Inv. Tst.
Humson Ings.
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Prov. Cities Tst.
Ward and Goldstone
Wyatt (Woodrow)
Interimes
Bank Learni (UK)
CSC Jav. Tst.
Colonal Secs. Tst.
Temple Sar Inv. Tst.
UC invs.
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Devincend & Interest Payments...
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Brunning Ord. and Res...
Eight Commerce 45cm.
Canadian Pacific 90cts. PlacaPfd.
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186.25cm. 4pcPf. 20c. 4pcPf.
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First Union Gen. Inv. Tst. 4.5cm.
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Hargeavers 2.35p
McCorquodale 2.64p
Old Swan Hotel Hargeavet B.4p

Harprovice 2.35p McCoroundale 2.64p Old Swan Hotel (Hisropate) 0.40 Robertson Foods 4.95p Rowillison Constructions 0.425p Tem-Consulate 2p The Times Vencer 0.3p Tunnel 8 Sp TON-OPPOM

COMPANY MEETINGS—
Isriog's, Plantation House, 10-15, Mincing
Lame, EC. 12.15
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WC. 11.50 Durapipe Intni. Waldorf Hotel, Aldwych, WC, 17.0 Peterborough, Great Eastern Hotel, Liverpool Street, Ec, 12.15 Hill Samuel, Plaisterer's Hail, London Wall, Ec, 12.15 Pawson (W. L., The Howard Hotel, Tomple Place, WC, 11.00
Tearsparent Paper, The Caio Royal, Regent BOARD MEETINGS—Finals: Acrow Belhaven Brewery Brindy Inds.
Manager Props.
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Interiors.
January Regional Props.
Interiors.

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City Offices NAUL WESTMINSTEF BK.

VANTONA

DIVINDEND & INTERREST PAYMENTS—
Bank of Nova Scotla 35cts.
Capital and Counties Property Ord. Units
2p

Dominion and Gen. Ts. 7.49

Johnson and Firth Brown 1.3p

Northern Goldsmiths 2.49

Pawson (W. L.) 1.95p

Property and Hidg. Inv. Tst. 1.65p

Rediffusion TV 5.35pCP. 2.875pC

Russell Bros. (Paddington) 3.625p

Scotterns 3.115p

Summe Clothes 1.5p

Tor Inv. Tst. Db. 24pc. Do. Db. 2pc. Dc.
Db. 21pc

WEDNESDAY, JBIY 30

Db. 2 i-oc WEDNESDAY, JULY 30
COMPANY METINGS
Ambrose Inv. Tst., The Institute of Chartered Accountaits, Moorgate Place, EC, 12.30 12.30 Beetham, Hotel Inter-Continental, 1. Hamil-ton Plate, Hyde Park Corner, W. 12.00 Coaline, Savoy Hotal, The Strand, WC. 12.00 ontinental and Ind. TR., 120, Cheapside, EC, 12.00 EC. 12.00 Dennis James H., Trafford Park Road, Manchester, 11.30 Durhill (Alfred), Cafe Royal, 69, Regent Street, W, 12.00 Era, Inds., Midland Hobel, Manchester, Era, Inds., Midland Dorchester Hotel, Park Lane, W.

Halina, Dorchester Hotel, Park Lane, W. 17.00
Holten (Arthur, Midland Hotel, New Street, Birmingham, 12.00
Lésney Prods., Tower Hotel, St. Katherines Lord E. H., Grast Eastern Hotel, Liverpool Street, EC, 12.00
Poliv Peck, 37. Queen Street, EC, 11.00
Rediffusion, Institute of Directors, 116, Pail Msil, SW, 12.15
Reed Intn., The Institute of Electrical Engineers, Savoy Place, WC, 12.00
Sherman (Sameul), 10, Hanover Square, W, 10.45 Engineers, Savov France, Hanover Square, internan (Sameui), 10, Hanover Square, internan (Sameui), 10, Hanover Square, W. 10.45 BOARD MEET MIGS—Finals: Blockman and Conrad Javis (J.) Stavert Zigorfala Stock Conversion and Inv. Tst. Internations.

Stock Communications of the Communication of the Co DRAYTON PORTFOLIO |

appointed director of marketing at PLESSEY COMMUNICA.

He was previously with Honey-well Information Services as director of its minicomputer and terminals division.

Mr. Stephen Whetstone has been appointed financial director of an appointed financial director of the marketing and terminals division.

Mr. Stephen Whetstone has been appointed financial director of the marketing and terminals division.

been appointed financial direc-tor at S.E. ACCESSORIES AND CHEMICALS, a member of the HALMA GROUP.

Professor Charles Phelps, at present Professor of Biochemistry at the University of Lancaster, is to become principal of the CHELSEA COLLEGE UNIVERSITY OF LONDON from January 1, 1981. He will succeed Dr. David Ingram, who is leaving Chelsea to become Vice Chancellor of the Uni-versity of Kent at Canterbury.

Evans and Mr. Mark Maycock have been appointed managers of SCANDINAVIAN BANK.

Angla Transvall Coms. Inv. Ord. and A 99.498362s. Do. Ptg. Pt. 52.51302mp Aquaterium 7. Perfea.Pt. 2.52.5pc Activate Asset 15.52.5pc Atmood Garabes 0.8375p BBA 5pct. 1.75pc Birminghem 74pcRd. 1980-82 37spc. Do. 91pcRd. 1979-81 43pc Bivnorultsicht Gold Minneg 102.80633p Border and Southern Stockholders Tst. 5pcft. 1.75pc Braby Lettle 3.09pp Braid 5pcft. 1.75pc

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City Investing 37/pcts. Do. 8Pt. 50cts.
City of Aberdeen Lang Assan, AsePt. 1.4pc
Colonial Secs. Tst. 5pcPt. 1,76pc
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Consid. Murrham 18.58306p
Continental Illinois docts.
Dalgoty 4,85pcPt. 2.425pc
Daniell Brews. Dh. 24pc
De. La Rue 13.2p Ontineers 2.85pcp7, Jalyoty 4.85pcp7, Daniel Braws, Db. 24pc De La Rue 13.2p Photeshams 613pcPf. 2.275pc. Do. 79cPf.

Westpool Inv. Des. 2'2 4 see Whitbread 4 2pcPl. 1.575pc. Do. Dbs. 1 a 3 apc Whitbread Inv. Db. 3 Lpc Whitbread Inv. Db. 3 Lpc Whiteley (B. S. and W.) Db. 3 pc Witan Inv. 2.7 pcPl. 1.35pc. Do. Db. 2 apc Youns's Brewery 4.2 pcPl. 2.1 pc. Do. 9 pc Pl. 4.5 pc Zandpan Gold Mining 67.990548a

British Gas

safety check

A SPECIAL four-point safety

check on gas fires (costing £4)

is offered until September 30 by

British Gas. The local Gas

offers fire

check for leaks,

working correctly.

advise necessary repairs,

fire checks cost £3.60.

check that the flue,

British Tirecying Lm. 4pc
British Petraleum SpcPi. 2.8pc. 3pcPi.
3.78pc
British Steam Spaciatives 3.75pc
British State Da. 5pc
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Holden (Arthey) 3p
Hongkong Tin Units 10p
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Leroids 1.3pcRd. 1980 8-3pc.
Manchester 1681 3pcRd. 1-3pc.
Mercanille Inv. Tst. 5pcPf. 1.75pc.
Merchants Tst. 4-3pc 1.575pc.
Met. Water Niew Riper 3pcDb. 1-3pc.
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1-4pc. 73pc. 1980.81 3 4 5 6pc.
North East Liconshire Water Brd. 6-1pcRd.
1982-83 3-1-3pc.
Ontwick Inv. Tst. 5pcPf. 1.75pc. Do. 5pcPf.
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Peptland Inv. Tst. 1-5p.

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1.925pc.
Scottish Agric. Secs. 14pcbb. 1993 7pc
Shanks Db. 3-pc.
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Shank 16-rancist 1.317p
Shell Transport and Trading 7pcPl. 2.45pc
Sidrov 71:pcPl. 2.625pc
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31s 3-pc.

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M. and G. High Income Fund Inc. Units
4.36 p.
Macalist Glenilwet B-bockt 3.0625 pc.
Macalist Glenilwet B-bockt 3.0625 pc.
Macalist Glenilwet B-bockt 3.105 p.
Marley Sipacht 2.275 pc.
Marley Sipacht 2.275 pc.
Marley Sipacht 1.75 pc.
Murray Glendewn Inv. Tst. Db. 5.3 pc.
Murray Glendewn Inv. Tst. Db. 5.3 pc.
Nell and Spencer Ln. 4pc.
Osborn Isamuel Db. 3-bpc.
Owen Owen 61 pcft 2.275 pc. Do. Ln. 4pc.
Parker Knoll Ob. 4-bpc.
Pitman 10pcft 5pc
Press (William) Ln. 4pc.
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Selle Tiller Pt. 1.75 pc.
Samuel (H.) 6006 2.1 pc.
Schlesinger American Inv. Ptg.Rd.Pt. 4-pp.
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10d. 1.5pc
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Schlesinger Intol. Found (Jersey) Ptg.Rd.Pf.
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Schlesinger Intol. 1.25p
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Star Great Britain Db. 3pc
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Smith 90s. 34 Sape.
Til Raleigh Db. 3pc
Til Raleigh Db. 3pc
Talke Ln. 5-bpc
Tanks Consd. Invs. Rd.Pf. 3.5p
Tarke Ln. 4-bpc
Tate and Lyle Ord. Units 4p
Throgmorton Secd. Growth 1st. Db. 37-ppc
Tate and Lyle Ord. Units 4p
Throgmorton Secd. Growth 1st. Db. 37-ppc
Tarke Ln. 4-bpc
Throgmorton Tst. 7-bpcPf. 2.5375pc. Do.
Db. 53.557. Do. Db. 53.182
Tiger Oats and Natl. Milling Pt. 2.773pc
Tockal Ln. 3-spc
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Db. 3pc Props. 10pcPf. 5pc. Do. Ln.

an Tst. SpcPl. 1.75pc American Con. South Africa Pto First National Bank of Chicago

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The Notes of U.S. \$5,000 and U.S. \$10,000 each constituting the above issue have been admitted to the Official List by the Council of The Stock Exchange, subject, in the case of the Notes, only to the issue of the Temporary Global Note and, in the case of the Bonds, only to their issue. Particulars of the Notes and the Bonds are available in the statistical services of Extel Statistical

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28th July 1980



TODAY COMMONS - Motions on social security orders on benefits uprating, family income supplements, child benefit up-rating, pensioners lump sum payments, married women and widows' special provisions and supple-mentary benefit (resources) and (requirement) regulations. Motions on supplementary benefit (single payment) regulations, the (aggregation) regulations, the (deductions and payments to third parties) regulations and on the (transitional) regula-tions. Consideration of Lords amendments to the Emplyoment

LORDS - Health Service Bill, report. Deer Bill, committee stage. SELECT

COMMITTEE Treasury and civil service, Subject: Monetary policy, Witness: Sir Geoffrey Howe, Chancellor of the Exchequer, (room 15, 4.30 pm).
TOMORROW

COMMONS — Debate on Opposition motion of no confidence. Motions on notification of acci-dents and dangerous occurences regulations and industrial tribunals (rules of procedure) regulations.

LORDS-Tenants Rights (Scotland) Bill, report stage. Motions to approve cinemato-graph films (collection of levy) (amendment No. 8) regulations 1980. Cinematograph films (distribution of levy) (amendment No. 2) regulations 1980. SELECT COMMITTEES —

Treasury and civil service. Subject: monetary policy. Witness: Prof. J. Tobin, Yale University. (room 15, 10.45 am). Public accounts. Subject: The green paper on the role of the comp-troller and auditor general. Witnesses: Mr. Michael English, MP; Sir Douglas Henley, comptroller and auditor general. (room 16, 4 pm).

WEDNESDAY COMMONS - Until 7 pm. Debate on Liberal motion on the plight of small businesses. Debate on Opposition motion on effect of Government policies on the textiles and clothing industries. Motion on the educa-tion (assisted places) regulations. Remaining stages of the Law Reform (miscellaneous provisions) (Scotland) Bill. Motion on the International Monetary Fund (increase of subscription) order. LORDS - Housing Bill, third reading. Motions to approve companies (directors' report) (employment of disabled per-

sons) regulations 1980. SELECT COMMITTEES-Home affairs. Subject: Home Office reports. Witnesses: Home Office. (10.45 am room 15). Energy. Subject: The Government's statement on the new nuclear power programme. Witness, Mr. David Howell, Energy Secretary, (room 8, 11 am). Transport Subject: The Roads white paper. Witnesses: Council for the Protection of Rural England. National Council for Inland Trans-

port. (room 17, 11 am). THURSDAY COMMONS—Debate on development in the EEC January-

check that the burner is December 1979. FRIDAY COMMONS—Debate on the prison system and on the rechimney, is clear, and clean soot or debris. Additional port of the May Committee. LORDS — Health Services Bill,

third reading.

INSURANCE

مكنامنالأحل

Why house policies are still good value

BY OUR INSURANCE CORRESPONDENT

LAST WEEK'S news that the policies. So the premium on a House Rebuilding Cost Index 1978 £25,000 house will have had risen by 10.6 per cent in the moved from £31.25, not to second quarter of this year, and £45.18, but to £54.22. by 22.6 per cent in the full 12 months to the end of June year's movement in the index emphasises how right insurers was recorded in the March-June have been to introduce index quarter of this year: this stems linked sums insured for home from the building operatives' buildings insurances.

insurance — the failure of many policyholders to insure for the current cost of reconstruction was a substantial cause of underwriting loss on the domestic front in the late 1970s, can it be doubted that the underinsurance problem would have become even now more exacerbated but for indexation of sums insured and of the premiums they attract?

The House Rebuilding Cost Index is produced for the British Insurance Association by the Building Cost Information Service of the Royal Institution index was first set up in the builders' wage settlement to be base of 100.

risen to 144.6 per cent. Translating percentages into sums insured, suppose that in July 1978 a suburban three bedroom previously. house had been adequately insured for rebuilding cost of 1979 this sum would have in-

Since premiums are charged did the builders. as a percentage of sums insured, premiums on index linked policies have risen at least in as a percentage of income, has similar proportion over the two in real terms risen in the last years. But many policyholders two decades only by the 24p are having to bear an extra per cent increase in rate that increase, because most insurers insurers are now applying. The have also been raising their home buildings package still normal rates for houses of standard construction from 121p to in Western Europe - nowhere 15p per cent, to cover the else can one get equivalent claims cost of the wider cover cover for anything like the now provided under modern same premium.

About 42 per cent of the last wage award agreed in the Given that widespread under- period. The award caused a

jump of 16 per cent in the labour element of the index,

while the cost of materials caused a rise of 5 per cent. That's depressing. But the BCIS and BIA sound notes of cautious optimism — they say that the outlook for the next three months is quite promising, with labour costs likely to rise by only 0.5 per cent and prices of materials, it is hoped, rising at or below the 5 per cent of last quarter. And in the longer term, the forecast is of the order of 15 per cent for the Building Cost Information coming twelve months — but Service of the Royal Institution once again, a great deal will of Chartered Surveyors. The depend on the size of the

summer of 1978, so building agreed next spring.

costs at that time provide the Even so, another 15 per cent base of 100.

is daunting enough: it will

In the two years to the end raise the sum insured on our
of June 1980, the index had 1978 £25,000 house to close on £40,600 and the relevant premium to £60.85, almost double what it was just three years

But what we are talking about are, for the most part, infla-£25,000: by the end of June tionery increases, not increases in real cost; and many policycreased by indexation to holders will have enjoyed, in £29,500, and by the end of June the last 12 months, wage or 1980 to £36,150.

For most of us the cost of insuring our homes, expressed

Rank Xerox to back LSE business course

RANK XEROX is to sponsor cover one academic year full-

venture intended primarily for economic principles, industrial graduates, with first degrees in relations, accounting, finance, subjects other than business and economic history. They are studies and for men and women linked to seminars on business holding approved professional qualifications.

scholarships at the London time or two years for part-time School of Economics and students. They begin in Political Science for the new September 1980 for the coming diploma course in business session and will comprise three studies initiated by LSE. session and will comprise three papers chosen from a wide The four courses mark a new variety of subjects including policy, financial management and the impact of business on The courses are designed to public policies.

Our clients speculate, free of tax, in very small to very large amounts, on :--

1. London Traded commodities, including GOLD.
2. The STERLING/DOLLAR exchange rate.
LG. Index Limited, 73, The Chase, SW4 ONP. Tel.:

CORAL INDEX: Close 487-492 (unchanged)

These Notes were offered and sold outside the United States of America. This announcement appears as a matter of record only.



US \$ 50,000,000 **ELAION FINANCE N.V.**

4 per cent. Convertible Notes 1980 due July 1, 1984.

Convertible into shares of ELAION! N.V.

Payment of interest on and principal of the Notes guaranteed by

Amsterdam-Rotterdam Bank N.V.

Kempen&CoNV

rities) Lick Hong Kork

Nordic Bank Limited

H, Albert de Bary & Co. N.V.

Banque Privée de Gestion Financière B.P.G.F. Raisman Fichler, Hill Richards International Limited

Alcemene Bank Nederland N.V.

Barcley's Kot&CoN.Y. an's Com<u>missiehank N.V</u> Grieveson, Grant and Co

Plerson, Heldring & Pierson N.V.

Amsterdam-Rotterdam Bank N.V., Dubai Branch

HESemuel & Co Limited

July 1, 1980.

Alahii Bankof Kuwali (K.S.C.)

Vereins-und Westbank Aktiengesellschaft

The undersigned acted on behalf of Elaion in structuring the issue.

Mole Operating Company, Inc.

Richardson-Dallas, Texas.



National Steel hit in second quarter

By Ian Hargreaves in New York

NATIONAL STEEL, the fourth largest steelmaker in the U.S.. saw its profits almost wiped out in the second quarter, but was spared from greater difficulties by the strong performance of its aluminium interests.

For the quarter, National had net income of \$3.3m compared with \$45.2m a year ago. Sales from \$1.1bn to \$855m.

The company still showed strong earnings growth in the half year, however, because of income from the sale of coal properties in the first quarter. Profits increased 67 per cent to \$2.2bn to \$2on in the six

With raw steel production in the second quarter 38 per cent below the year ago level and only half the company's blast furnaces currently operating. Mr. Howard Love, the chairman. sees little prospect of improvement in the third quarter.

tions and better conditions for maintaining capital investment at a time when steel imports continue to take about one-fifth of the U.S. market.

National's operating rate at its steel mills is now at an almost historically low point of under 50 per cent and the company has been forced to cut capital spending from \$340m to \$250m for this year.

Aluminium profits. however, United Financial Corporation. of 50 per cent. If sales of non-Sobered by the fall in the to pralso contributed to profits. branded tapes are included TDK price of silve. the company bonds. also contributed to profits.

Sharp earnings setback for McDonnell Douglas

standby bank credit are the lines of credit to be made avail- broadly counter-balanced by main features of a poor set of able to cover what it describes losses on commercial aircraft. second quarter results from as possible near term cash McDonnell Douglas, the U.S. requirements. maker of civil and military air-

at \$43.7m. and the setback ex- with the DC-9 Super 80 series \$1.0bm, against \$1.3bm. tends to a full 47 per cent - of civil aircraft. Cash-flow pro-

A SHARP decline in profits and McDonnell has made arrange- manufacture. Profits on space the announcement of a \$300m ments for some \$300m of open systems and missiles were

Sales last year rose from \$4.1bn to \$5.3bn. Having been The profits setback in the marginally ahead at \$1.44bn in June quarter arose largely from the opening three months of Net earnings for the June continued high development 1980, McDonnell's turnover in quarter are 17 per cent lower and production costs associated the second quarter moved up to

McDonneH says its firm backtends to a full 47 per cent — of civil aircraft. Cash-now proto \$38.2m — if exceptional blems here have been comgains amounting to \$15.5m and arising from property transactions are excluded. — ment costs on the KC-10 tanker
The company expects that cargo series. — ment costs on the first half was a record \$8.8bn at June,
ment costs on the KC-10 tanker
of 37 per cent in commercial earnings for the rest of 1980 In 1979 McDonnell's net and 63 per cent government will "continue to trail those income rose by 23 per cent to business. Total backlog is a of 1979." Partly as a result of \$199m largely as a result of record \$14.1bn compared with this weakening profits trend. earnings on military aircraft \$10.3bn.

TDK maintains sales surge

BY YOKO SHIBATA IN TOKYO

ELECTRONICS. world's largest magnetic tape share. maker, continues to report mostly as a result of doubled sales of VTR tapes and improve-Like other steelmakers, he also called for relief from Government pollution regula-Consolidated sales reached an

share profits were Y209.15 com-pared with Y138.50.

Magnetic recording tapes, the most profitable devision of the company, increased sales 56.8 per cent to account for 46.8 per cent of the total turnover. Sales of VTR tapes doubled to account for 21 per cent of the total turnover, following sharp market penetration of VTRs.

buoyant consolidated earnings, in perspective, the company is recovery of demand from conment of export profitability in a month by the end of this ponents, sales of ferrite cores

all-time high of Y100.9bn of chip capacitors, reflecting an cent of the total. (\$450m) up 46 per cent over a increasing trend to miniaturisa-(8450m) up 46 per cent over a increasing trend to miniaturisa- overseas sales grew by 82.1 year ago. Net profits surged by tion of ceramic capacitors, sales per cent. helped by the yen's of the ceramic components divi-

the claims a 70 per cent market sion jumped by 48.5 per cent to On the ground of strong sales turnover. Helped by the planning to bring up produc-tion capacity of VTR tapes to 2m the company's electronic comand magnets increased by 32.3 Because of favourable sales per cent to account for 25.3 per

Sunshine Mining dips into losses by carla rapoport in New York

HIT BY THE collapse in silver had to substantially cut back prices and a miners' strike, the Dallas-based Sunshine Mining Company has dropped into the red with a second quarter loss of \$1.89m.

Ten the Collapse in Salvet the volume of its silver-backed bonds issues which it put on the market in the early part of April this year. The first such issue in the U.S. the bonds such issue in the U.S. the bonds such issue in the U.S. the bonds such issue in the U.S. the bonds such issue in the U.S. the bonds such issue in the U.S. the bonds such issue in the U.S. the bonds such is the volume of its silver-backed bonds issues which it put on the market in the early part of the unit will be used to the unit

For the first six months net sold out within a day, but their

Adminished profiles. However, have continued to improve in the light of strong demand from the light of strong demand from the aerospace industry. National's recently acquired Solo,000 units a year ago, with Californian finance company, current world VTR market share from \$1.3m, in the first half of 1979. Sales dropped back to \$7.6m silver Sunshine needs in order to provide sequired to provide sequired to the silver sunshine needs in order to provide sequirity for the silver sunshine needs in order to provide sequirity for the silver sunshine needs income from continuing operations was \$872,000, against substantially reduced as the collapse of the silver market share from \$9.48m. Sobered by the fall in the to provide security for the

CURRENCIES, MONEY and GOLD

Much talk but little action by colin millham

There was much talk, but not rates the dollar suffered against of the week slumped to a two- left at 16 per cent, pushed sterage and money markets exception of the Japanese yen.

There was much talk, but not rates the dollar suffered against of the week slumped to a two- left at 16 per cent, pushed sterage and money markets exception of the Japanese yen.

Unchanged interest rates from bas rarely been exceeded since last week. Most of the speculation centred around expected rates, all of which have so far failed to materialise. Rumours tended to grow as U.S. rates by market expectations of reductions declined, and last week the tions in their respective discount Monetary System, and last week's low, while the French franc re-Federal Reserve appeared to be rates. With no moves last week. news of unchanged credit policies mained at the top of the EMS, actively encouraging lower rates opinion sems to centre on late at the last Bundesbank council and another small cut in Belgian when it intervened to add August or September as the meeting before the summer Treasury bill rates. Any more liquidity and push down the likeliest time for cuts. The yen recess did little to change the important reductions may well Federal funds rate. When this was also undermined by Qatar's was followed by further cuts in decision to raise the price of its commercial bank prime lending crude oil, and towards the end

Despite comments by central bank governors in Japan and

July 25 July 24 Gold Bullion (fine ounce)

Gold Coins Krugerrand	(£266,95-266,2) (£264,9-266,2) (£266,714) (£268,051)
Mapheleaf	
\$ 5 Eagles	(£2755 ₃ -2775 ₄) (£2721 ₅ -2741 ₂) 4 £671 ₂ -681 ₂) (£751 ₂ -781 ₂) (£751 ₂ -781 ₂)

THE DOLLAR SPOT AND FORWARD

the Bundesbank and Bank of the Wilson Government devalued England brought very different from \$2.80 to \$2.40 nearly 13 many's swing into balance of payments deficit has left the D-mark Europe last week were a fall in by market expectations of reduc- near the bottom of the European Paris call money to a five-month

other hand On the Minimum Lending Rate had been next month.

OTHER CURRENCIES

await further decisions by the the Bundesbank council, which will announcement from London that not meet again until the end of

The only significant moves in

July 25	£	S		£ Note Rates
Argentina Peso Australia Dollar. Brazil Cruzeiro. Brazil Cruzeiro. Finland Markka. Greek Drachma. Hong Kong Dollar Iran Riat. Kuwait Dinan KOi Luxembourg Frc. Malaysia Dollar. New Zealand Dir. Saudi Arab. Riyai. Singapore Dollar. Sth. African Rand U.A.E. Dirham.	2,0590.2,0630 126,93.127,93 18,6012.8,6112 101,648.114.566 111,78.11,80 0.636.0.642 66,40.66,50 5.1160.5,1260 2,4220.2,4270 7,92.7,98 5,0475.5,0575 1,8185.1,8200	63,11.53,81 3.5940.3.5950 42,65-42,80 4.9275.4.9295 n a 0.2666.0.2667 27.77.27.79 2.1400.2.1420 2.1115.2,1135 0.7605.0.7610	Denmark	9.50-9.66 4.14-4.17 1930-2025 538-543 4.5212-4.5512 11.44-11.54 112-116 164-171 9.78-9.88 3.81-3.84

Rate given for Amentina is tree rate. THE POUND SPOT AND FORWARD

luly 25	Day's Spread	Close	One month	7 <u>.</u> p.a.	Three months	% p.a.	July 25	Day's spread	Close	One month	% .s.q	Three months	
JK†	2.3875-2.3980	2,3910-2,3920	1.45-1,35c pm	7.02	3.77-3,67 pm	6.22	u.s.	2.3875-2.3980	2.3910-2.3920	1.45-1.35c pm	7.02	3.77-3.67 pm	_
relandt	2.1590-2.1635	2.1590-2.1610	1.40-1.30c pm		3.90-3.80 pm		Canada	2.7600-2.7710	2.7650-2.7660	1.60-1.50c pm		3.45-3.35 pm	
anada	1.1534-1.1572	1.1538-1.1541	0.13-0.16c dls		0.40-0.44dis		Nethind.	4.5312-4.5612	4.54%-4.55%	3-2c pm		67 ₈ -57 ₈ pm	• 7
lethind.	1.8975-1.8995	1.8985-1.8995	0.05-0.15c dis		0.35-0.45dis		Belgnum	66.35-66.60	66.40-66.50	17-7c pm		34-24 pm	
Belgium	27.75-27.79	27.77-27.79	8'-10c dis		251 ₂ -28 dis	-3.85	Denmark	12.85-12.89	12.851-12.861-	1-25 ore dis		81-10 dis	_
enmark	5.3745-5.3765	5.3750-5.3765	31,-4ore dis		114-124 dis		Ireland	1.1050-1.1095	1.1055-1.1065	0.07-0.03p pm		0.27-0.22 pm	
V. Ger.	1.7335-1.7400	1.7385-1.7395	0.07-0 04pf pm		0.13-0.09 pm		W. Ger.	4.14 2-4.171	4.1512-4.1612	31 ₈ -21 ₈ pf pm		7½-6½ pm	•
ortugal	43.67-48.80	48.70-48.80	25-40c dis		60-110 dis	-6.97	Portugal	116.10-116.90	116.25-116.45	10c pm-35 dis		35 pm-90dis	-
pain	70.72-70.87	70.82-70.87	70-95c dis		230-260dis ·	13.83	Spain	169.15-169.65	169.20-169.30	80-135c dis		290-370 dis	_
tely	825.10-825.90	825.40-825. 90	91 ₂ -1111re dis	-14.90	32-34 dis	-15.39	Italy	1.973-1.979	1,9741,-1,9751,			43-47 dis	-
lorway	4.7965-4.8005	4.7995-4.5005	0.35ore pm-0.15	dis 0.25	0,60-1,70dis	-0.71	Norway	11.47-11.50	11.475-11.485			161-147 pm	- 7
rence	4.0300-4.0375	4.0350-4.0365	0.65-0.75c dis	-2.08	2.57-2.72dis	-2.62	France	9.6312-9.675	9,641,-9,651,	414-314c pm		9-8 pm	- 3
weden	4.1045-4.1095	4.1075-4.1095	1.20-1.40ore dis		4.80-5.00dis		Sweden	9.81-9.85	9.82-9.83	24-15 ore pm		33-2'z pm	-
apan	224.20-225.80	225.20-225.30	0.80-0.95y dis		2.15-2.30dis		Japan	535-541	5381 ₂ -5391 ₂	1.15-0.75v pm		3.15-2.75 pm	. :
lustria	12.30'-12.32'4	12.314-12.324	1.30-1.90gra dis		5.75-7.50dis		Austria	29.45-29.55	29.50-29.55	14-11gro pm		32-26 pm	
witz.	1.5910-1.6000	1.5975-1.5985	0.63-0.58c pm	4.54	1.57-1.52 pm	3.87	Switz.	3.81-3.84	3.82-3.83	4-3c pm		101 ₂ -91 ₂ pm	11
	† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 66.80-66.90. Six-month forward dollar 5.37-5.27c pm. 12-month 7.35-7.25c pm.												

5 month U.S. dollars	6 month U.S. dollars	The fixing rates are the arithm
	<u> </u>	the bid and offered rates for \$
bid 9 1/16 offer 9 3/16	bid 9 3/8 offer 9 1/2	11 am each working day. T
i strat a stra	i 010 0 010 1 0 112	Tokyo, Deutsche Bank, Banqu

bid 9 1/16 offer 9 3/16	bid 9 3/8	offer 9 1/2
EURO-CURRENCY IN	TEREST RA	TES (Market (

que Nationale de Paris, and Morgan Guaranty Trust.

Closing Rates)

FT LONDON INTERBANK FIXING (11.00 a.m. JULY 25)

July 25	Sterling	U.S.Dollar	Dollar	Dutch Guilder	Swise Franc	West German Mark	French Franc	Italian Line	Asian \$	Japanese Ye
tShort term 7 days' notice. Month Three months Six months One Year	167g.171g 1712-1734 153g.155g 141g.143g	9/5-9k/ 912-934 912-934 812-834	912-1012 912-1013 1038-1058 1012-1054 1012-1054 1012-1054	10-1014 10-1014 97 _B -101 ₈ 93 ₄ -10 93 ₄ -10 93 ₄ -10	1-14 512-6 478-5 516-576 516-576 418-5	915 914 918 914 918 914 815 873 815 875 816 818	115g-117g 115g-117g 115g-117g 115g-117g 115g-117g 115g-117g 117g-121g	17-20 24-27 24-25-1 ₂ 24-25-2 23-1 ₄ -24-1 ₄ 21-1 ₄ -22-1 ₄	3-13-3-15 8-53-8-34 9-13-8-15 9-13-9-15 9-15-9-15	13 ¹ 4-13 ⁵ 4 17 ¹ 2-18 14-14 ¹ 4 13 ¹ 8-13 ³ 6 11 ⁵ 4-12 10-10 ¹ 4
Long-term Eu	rodollar two y	ears 103-103 c	er cent: three	vears 105-107-	ner centi laur	vesre 105.11 -	or dank fines we	107 111		

Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japaness yer; others two-days' notice. Asian rates are closing rates in Singapore. The following nominal rates were quoted for London dollar certificates of deposit: one-month 8.75-8.60 per cent; three-months 8.75-8.85 per cent; aix-months 8.75-8.85 per cent; one year 9.05-9.15 per cent.

LONDON MONEY RATES

			<u> </u>							
July 25 1980	Sterling Certificate of deposit		Local Authority deposits	Local Auth. hegotiable bonds	House	Company De posits	Discount market deposits	Treasury	Eligible Bank Bills é	Fine Trade Bills 4
Overnight	. – –	17-30					15-4-16		 i	
2 days notice) –	1634-30	1 — 1	_	1 —		! _	} }	
7 days or	. –	. –	. -	I 1	_	! _		! =		
7 days notice		1654-171g	163 ₄₋ 167 ₈	1 - 1	173a	1714	1634-16	_	1 T i	_
One month	. 161ց 16եց	163g-165g	163 ₈ 165 ₈		16+		1558-1534	141-149	1614	165a
Two months	16, 157g	15 16 a		17.171	16%	1-0-4-10.8	15 151	145-14	15%	161 ₈
Three months.		154-15/	1536-1519		1531	157g-161g	1434	1410-14	1412 1478	15 _{5g}
Six months		144-14	144-1412		1476	1434			13 6-13 8	137g
Nine months	13 2 133g	135 135		133 ₄₋ 141 ₈	13;	1419	! =	i –	1916-1918	1318
One Year	15 12		131 ₈ -13 ₃₈	134 1358	13,6	1410	! =	, –	-	_
Two years		_	1318-1314	1	7216	14.15			: -	_
		<u> </u>	-0-1-10-4	. – .	_		_	_	i [_

Local authority and finance houses seven days' notice, others seven days' fixed. "Long-term local authority mortgage rate nominally three years 13^{1}_{12} per cent; four years $12^{2}_{12}-13^{3}_{13}$ per cent. Two years $12^{2}_{12}-13^{3}_{13}$ per cent. OBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills $14^{3}_{12}-14^{3}_{13}$ per cent; four-month trade

Approximate selling rate for one-month Treasury bills $14^{7}_{16} \cdot 14^{16}_{12}$ per cent: two-months $14^{7}_{16} \cdot 14^{7}_{16}$ per cent: two-months $14^{7}_{16} \cdot 14^{7}_{16}$ per cent: two-months 15^{7}_{16} per cent: two-months 15^{7}_{16} per cent: two-months 15^{7}_{16} per cent: two-months 15^{7}_{16} per cent: and three-months

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from July 1, 1380. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Sills: Average tender rates of discount 14.4383 per cent.

July 25	Bank rate	Special Drawing Rights	European Currency Unit
terling	16	0.655328	
.S. & Anadian S.,	11 10.18	1,33091 1,53900	1.44985 1.67298
urtria Sch .	634	16.3866	17.8621 40.2623
elgium F anish K	15 13	36,9549 7,15149	7,79729
'mark uilder		2.50950 2.52730	2.81766 2.75413
rench Fr	912	5.86462	5,84724 1196.49
ra en	15 9	1098,00 299,099	325.738
orwgn. Kr.,	9	6.38246	6,96000

CURRENCY RATES

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming board meetings (indicated thuse) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent shown in the column headed "Announcement last year."

Announcement last

Date ment last

Date ment last

PENDING DIVIDENDS

l nare	manr 1985	Dere	HIGHE 1621
.	_ уелг		year
*AAHAug. 4	Final 3,975	IM1 ,Aug. 28	Inz. 1.9
*Aaronson		*InchcapeJuly 28	Final 10.0
BrosAug. 6	int. 1.2	Johnson Gp.	
*AcrowJuly 29	Final 1.5	CleanersAug. 22	Int. 1.8
	CING1 1.3		
Assoc.		LadbrokeAug. 29	Int. 5.7
Dairies,Aug. 29	Final 4.3	*Letraset IntlAug. 12	Sec. int. 5.503
Ault and		*Lex ServiceJuly 31	Int. 2.8
WiborgAug. 8	Int. 0.76	London BrickAug. 22	Int. 1.734
Automotive	4.10	*NetWestJuly 29	Int. 7.25
	1-4 4 E		1114. 7.22
ProductsAug. 9	Int. 1.5	Nottingham	1 4.4
BBAAug. 30	Int. 0.84	MnfAug. 11	Int. 1,0
*Bank Leumi		Nurdin and	
(UK)July 28	Int. 2.8	PeacockAug. 29	Int. 1.5
Barclays BkJuly 26	Int. 8.25	Ocean TransAug. 21	Int. 4,095
*Sath and		"RentokilAug. 5	Int. 0.85
	1-4 4 6	*Royal Insce Aug. 18	Int. 8.25
PortlandJuly 29	Int. 1.6	Aug InsteAug. 10	Int. 0.9
*Bibby (J.)Aug. 6	Int. 6.0§	SecuricorAug. 8	10t. 0.5
Blue Circle Aug. 30	Int. 3.8	Security	
British		SørvicesAug. 8	inz. 1.375
AluminiumAug. 15	Int. 5,5	Shell TransAug. 1	Int. due
Carrington		Sime DarbyAug. 27	Final 10 cents
Viyella,Aug. 15	Int. 0.7	Slough	
ACIAL DESCRIPTION IN TO		Estates,Aug. 28	Int. 0.9
*City OfficesJuly 29	Int. 1.3	Cal Bon Aug 7	Final 0.1
*Commercial		Smith Bros Aug. 7	FINAL U.
UnionAug. 12	Int. 4.0	Smith and	
CorabAug. 16	Int. 1.25	NephewAug. 14	int, 1.25
De BeersAug. 21	1nt. 20c	*Stock	
*Dixons PhotoJuly 31	Final 2.795	ConversionJuly 30	Final 3.75
Estate Prop.		Taylor	
InvestmentAug. 9	Final 2.75	WoodrowJuly 31	Int. 3.15
	111101 2.15	*Transport	
Fairclough	1 4	DevAug. 11	Int. 1.45
ConstrAug. 28	Int. 1,65		Int. 2.8
*Fitch LovellJuly 31	Final 3.368	TricentrolAug. 2	12.5
General		*Tube InvsAug. 6	
AccidentAug. 15	int. 5.5	8 .guA TOU	Final due
GlynwedAug. 8	Int. 2.45	Union CorpnAug. 28	Int. 19 cents
Gold Fields		*VantoneJuly 29	Int. 3.0
SAAug. 17	Final 155c	Wagon	
*GrindlaysJuly 29	Int. 1.002	FrnanceAug. 31	Int. 0.625
Hottnung		•Ward and	• 1
(S.)Aug. 22	Final 3.007	GoldstoneJuly 28	Final 4.092
HK & Shanghai		Woolworth	
8kAug. 21	Int. HKS0.24	(F. W.)Aug. 15	int. 1.347
*HooverAug. 6	IAL 5.61	• • •	
House of	4.01	 Board meeting intima 	sted. 't Rights
FraserAug. 23	Int. 2.0	issua sinca made. '± Tax	free. & Scrip
1CIAug. 23	Int. 12.0	issue since mede. 4 Tex issue since made. 9 For	scast.
101Aug. 25	III. 120	MANE SILVER HINGER TO CO.	

Public Works Loan Board rates

	Que	ta ioans	repaid	Mon-dnors	loans	W. Lebe
	-		at			at
Years	by EIPt	· A‡	maturity§	by EIPt	A‡	ធានឈៅថ្ង
p to 5	124	12 £	124	131	131	131
ver 5, up to 10	12}	12:	127	13 [13)	13}
rer 10, up to 15	12	12	12	134	13	13
rer 15, up to 25	12	12:	121	134	131	13[
/er 25	127	12ž	12}	13}	134	13 <u>1</u>
Non-quota loans B	are 1	per cen	t higher	in each o	ase ti	han nor
-4- 1 4 - 47					Dane	h

quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payment of interest only.

LOCAL AUTHORITY BOND TABLE

Authority	Annual	pay-	t	Life
(telephone number in	gross		Minimum	of
parentheses)	interest		sum	bond
Knowsley (051 548 6555) Redbridge (01-478 3020) Redbridge (01-478 3020)	. 13	i-year i-year i-year	£ 1,000 200 200	Year 1 3/4 5/6

BASE LENDING RATES AB.N. Bank 16 % #Hambros Bank 16 % #Hambros Bank 16 % #Hill Samuel \$16 %

Allied irish Bank 16 %	■ 11111 29mnei319 %
American Express Bk. 16 %	C. Hoare & Co
Amro Bank 16 %	Hongkong & Shanghai 16 %
Henry Ansbacher 16 %	Industrial Bk. of Scot. 174%
A P Bank Ltd 16 %	Keyser Ullmann 16 %
Arbuthnot Latham 16 %	Knowsley & Co. Ltd 18 %
Associates Cap. Corp. 16 %	Langris Trust Ltd 16 %
Banco de Bilbao 16 %	Lloyds Bank 16 %
Bank of Credit & Crece. 16 %	Edward Manson & Co. 17 %
Bank of Cyprus 16 %	Midland Bank 16 %
Bank of N.S.W 16 %	■ Samuel Montagu 16 %
Banque Belge Ltd 16 %	Morgan Grenfell 16 %
Banque du Rhone et de	National Westminster 16 %
la Tamise S.A 161%	Norwich General Trust 16 %
Barclays Bank 16 %	P. S. Refson & Co 16 %
Bremar Holdings Ltd. 17 %	Rossminster 16 %
Brit, Bank of Mid. East 16 %	Ryl Bk Canada (Ldn.) 16 %
■ Brown Shipley 16 %	Schlesinger Limited 16 %
Canada Perm't Trust 17 %	E. S. Schwab 16 %
Cayzer Ltd 16 %	Security Trust Co. Ltd. 17 %
Cedar Holdings 17 %	Standard Chartered 16 %
■ Charterhouse Japhet 16 %	Standard Chartered 16 % Trade Dev. Bank 16 %
Choulartons 17 %	Trustee Savings Bank 16 %
C. E. Coates 16 %	Twentieth Century Bk. 16 %
Consolidated Credits 17 %	United Bank of Kuwait 16 %
Co-operative Bank*16 %	Whiteaway Laidlaw 164%
Corinthian Secs 16 %	Williams & Glyn's 16 %
The Cyprus Popular Bk. 16 %	Wintrust Secs. Ltd 16 %
Duncan Lawrie 16 %	Yorkshire Bank 16 %
Eagil Trust 16 🕏	Members of the Accepting Houses
E. T. Trust Limited 17 %	Committee.
First Nat. Fin. Corp 191%	* 7-day deposits 14%. 1-month
First Nat. Secs. Ltd 19 %	deposits 141;%.
Robert Fraser 16 %	† 7-day deposits on sums of £10,000
Antony Gibbs 16 %	and under 14%, up to £25,000
Greyhound Guaranty 16 %	144% and over £25,000 144.
Grindlays Bank116 %	‡ Call deposits over £1,000 14%.
■ Guinness Mahon 16 %	§ Demand deposits 142%.

RECENT ISSUES EQUITIES

.92 .61 .74	KE.	J E I	N 1	13	SUES EQUITIES						
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FIXED INTEREST STOCKS

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	é é	F.P. £10 £10	8/8	102 151 ₂ 133 ₄	TITE:	Outwich 10% Pref. South Staff. Water91% Rd. Pf. '65 Sunder1'd & S.Shields Wtr \$4% Rd.Frf. 1985	101 151 ₂ 133 ₄	+3 ₄ +1 ₄	
I				44	RIG	HTS" OFFERS		_	

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	١	_=		——	 -		-'
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			127	117	Astbury & Madeley	121	l
					Berisford (S, & W.)	164	J
			12pm	93pm	Brengreen	12pm	
F.P.	4/7	1/8	144	124	Brown & Jackson	138	-2
F.P.	3/7	7/8	159	112	Carless Capel	143	Lī.
F.P.	22/7	15/8	75	64	Charterhall	- 64	1
Nil	1/8	29/8	22 pm	160m	Clive Discount	21pm	1_1
Nil		12/9	46pm	31pm	Coalite	45pm	Ĺå
F.P.	25.7	22/8	91'pm	85nm	Crest Nicholson	90pm	[+ē
			737	645	Harrison & Crosfield	725	12
Nil	30/7		ma Og	11am	Hazelwood Fonds	17nm	
			368	2507	Land Securities	361	L.
			175om	27pm	Lloyds & Scottish	169nm	-6
	! —	1-1-	30.hm	15-nm	Loncho	82 nm	414
FΡ	28/7	26/8	87	55	Mallinson-Denny	60	
Nil	_				Pancontinental	315nm	<u> </u>
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based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public, pt Penca unless otherwise indicated. I Issued by tender. II Officred to holders of ordinary shares as a "rights-" as Issued by way of capitalisation. §§ Reintroduced. It Issued in connection with reorganisation, merger or tekeover. III Introduction. I Issued in formar preference holders. I Allottent letters (or fully-paid). Provisional or partly-paid allotment letters. * With warrants. It Unlisted security. It Issued as units comprising 2 participating pref. shares and 1 ord. share at 63.50 per unit. † Dealings under special rule.

U.S. \$20,000,000

Kay Capital N.V. **Guaranteed Floating Rate Notes** Due 1985

Kay Corporation

In accordance with the provisions of the Notes. notice is hereby given that the rate of interest for, the three month period from 28th July, 1980 to 27th October, 1980, has been fixed at 101% per annum. On 28th October, 1980, interest of U.S. \$258-75 per Note will be due against coupon No. 5.



J. Henry Schroder Wagg & Co. Limited Reference Agent

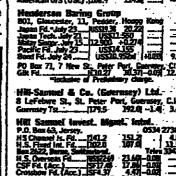


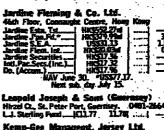
BANQUE DE L'INDOCHINE ET DE SUEZ US\$40,000,000 Floating Rate Notes 1978-1985

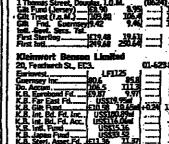
> For the six months
> 25th July 1980 to 26th January 1981 will carry an interest rate of 94% per annum and Coupon Amount of USS50.10. Listed on the Luxembourg Stock Exch By: Bankers Trust Company, London
> Reference Agent

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OFFSHORE & OVERSEAS—contd.







d Bank Tst. Corp. (Jersey) Ltd.

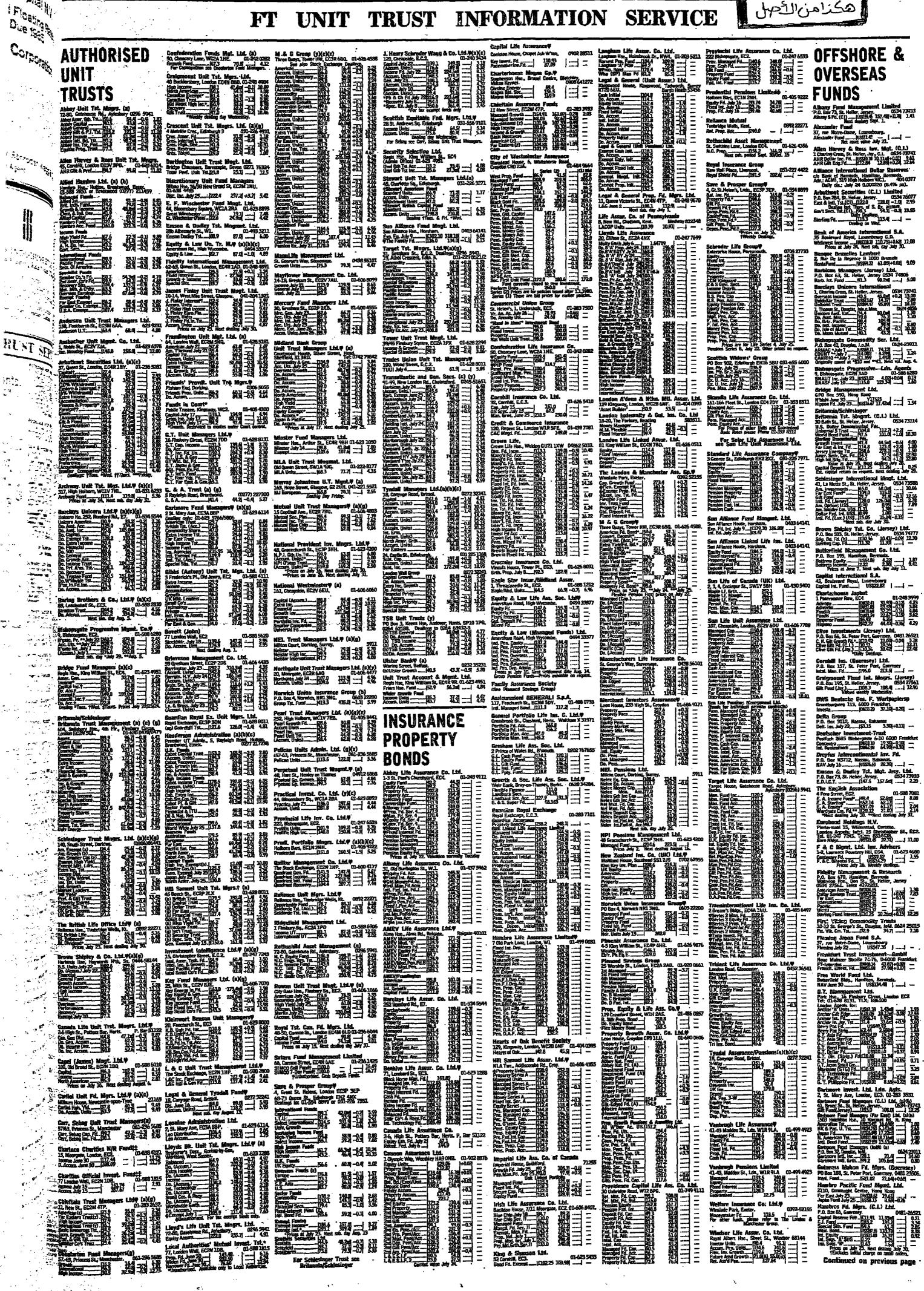
nd Life Ass. Ltd.

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Continued on previous page



For Schlesinger Trust see Britannia/Schlesinger

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For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

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مكنامنالأعل

Financial Times Monday July 28 1980

FOOD, GROCERIES CORE

FINANCIAL TIMES

Monday July 28 1980



Brighter trend in motor trade balance

BY JOHN GRIFFITHS

quarter, after 15 months of

Figures from the Society of Traders this week will show a the first year that the motors account dipped into the red.

The £156m deficit for the

into the black during the second marked drop in imports rather first time, more than half-athan from better export per- million cars were sold).

Manufacturers and fell by 16 per cent in the second SMMT forecast that sales this quarter to £1.048bn, while ex- year will fall to 1.45m untis surplus for the quarter of £72m. ports fell by 5 per cent to against the record 1.71m last This compares with £128m £1.12bn. For the first six year. deficit for the first quarter and months, total imports were up one of £287m for 1979 as a whole by 1 per cent at £2.26bn while exports were up 8 per cent at the first half.

Car imports fell most sharply

For the first half, they were Imports of all motor products down 4 per cent at £1.33bn. The

> Imports continue to take most of the market-57.6 per cent in

But one factor which may continue to help swing the trade first half overall is a substantial in the second quarter, by 23 balance in Britain's favour is improvement over the £200m per cent to £2596m, reflecting recorded in last year's first six the sharp downturn in the car ports from mainland European per

motor products swung back turnround has come from a first quarter (when, for the nearly 52 per cent of its first per cent at £226m in the first half sales.

The action started to show up in the June sales figure, when Ford's import level fell to 45 per cent. It will become more noticeable over the next few

Since Ford is the UK market leader, with a share of nearly 33 per cent, the impact on the trade account is bound to be considerable.

commercial Imports vehicles continue went up by 5 changed on the 1979 level of cent in

BRITAIN's trade balance in months. But the second quarter market since this year's record plants, which accounted for quarter at £107m, and up by 23 half. This was almost entirely due to Japan's success in taking a large share of the market for non-car-derived vans.

> Component imports fell by 8 per cent in the second quarter £283m, though they were up by 5 per cent at £581m in the

Britain's car exports also fell by 9 per cent in the second quarter to £219m. For the six months, they were virtually un-

Oil helps Nigerian economic recovery

RISING OIL revenues and re strictions on imports helped carry Nigeria's external reserves to a record 4.7bn Naira (£3.7bn) in mid-July, according to the country's Central Bank,

The figure marks substantial progress in the country's re-covery from its 1978 financial

crisis.
"We are very comfortable now," said Mr. al-Haji Otiti, executive director of the Central

He expected imports to grow more rapidly later in the year. as restrictions have been eased public spending will grow

After reaching 4bn Naira in April. 1974. Nigeria's foreign reserves plunged to 1bn in April, 1978, as oil sales fell but imports surged. The then military government slashed public spending and banned several caregories of imports.

Britain's exports to Nigeria halved to £638m last year. Meanwhile, since Iran's oil production was disrupted, world oil prices have risen rapidly.

The price of Nigeria's top quality crude was raised to \$37 a barrel in spril, and oil revenues this year are expected to exceed \$24bn. Economic activity has re-

covered somewhat this year, but Mr. al-Haji Otiti described con-He said Ais was because the full impact of the April Budget. providing for a 25 per cent increase in federal spending to 11.8bn Naira, has not yet been

The Budget, which covers the nine months to December 31, 1980, was dehated for three months in Parliament and passed only last month. Observers expect a rush by Government departments and agencies to spend their allocation increases in the remaining

A promised 30 per cent increase in the minimum wage to 100 Naira a month, expected be implemented shortly, would also stimulate consumer spending.

Lagos port strike, Page 3

Weather

UK TODAY

SUNNY intervals with a few

Channel Isles, E. England Early fog. mainly dray, sunny intervals, showers later. Max.

S.W., Wales. N. Ireiand, I. of Man

Bright periods, showers later. Max. 20C (68F).

OUTLOOK: Mostly sunny and

WORLDWIDE

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i	H. Kong	Ř	28		Vienna	š	26	79	
l	innsbrk	ċ	21	70	Warsaw	F	23	73	

system is to work properly, the balance of risk must be appropriate. The market must not be rigged so that the jobbers are always finishing up on the

The common theme is that in the way in which dual capacity

The presence of the Govern-

THE LEX COLUMN

Stockjobbing in a changed climate

handed out to them after the ing last month. The reason is previous supply price in publication of the Stock Exchange report on the Gold impression is that the firm heavily short, and were trying fields affair and this does not Fields affair. And this does not badly misread the direction of to bid for stock from the Goronly apply to Akroyd and Smithers, the firm which was closely involved with Rowe and Pitman and De Beers, Other firms would also be extremely reluctant to accept any restrictions on their freedom to take short or long positions, a free-dom which is fundamental to the current mode of operation of the London market.

Yet the appearance of a whole series of "dawn raids" in the past couple of weeks, has once again raised the question of whether an unfettered market always produces the right result. And there have for some time been rumblings of criticism in the gilt-edged market over the tactics which appear to have been adopted by the jobbers in highly profitable dealings in tap stocks,

Two-way deals

market increasingly dominated by big institutional investors the role of the jobbers has been subtly shifting. Their ability to make profits out of active twoway dealing has been eroded because of the increasingly oneway tide of decisions taken by professional fund managers. So profitability has come to depend much more on the taking of positions. In particular, much greater importance has come to be attached to set piece trading, as with tap stocks and equity market raids.

Some jobbers have done well out of this. Akroyd declared pretax profits of £12.2m for the six months to March, generated on an equity base of under £20m. they can fill in their bears with are not very good at sniffing Even Smith Bros., without a official supplies. Whether they out changes in public opinion. gilt-edged involvement, has een its share price nearly double from an admittedly lowly level at the end of last year.

Last month's Bank of England changed will somebody please
On the other hand the risks

Bulletin discussed the case of tell us first?"

the past six months or so.

it is the ability and willing ness of the jobbing system to take bull and bear positions a politic below the presting that generates much of the liquidity of the London stock market. But if the London decisions about prices when his

dangerous if the jobbers are encouraged to take on so much risk that they teeter between huge profits and huge losses. the latter leading to the disappearance of firms and to a gradual shrivelling away of the specialist market-making function. But this could easily be eventually arrives in London.

In gilt-edged a very delicate relationship exists between the jobbers and the Bank of England, with the Government broker as the intermediary. In the past few years this relamental importance for the two big jobbing firms, Akroyd and Wedd Duriacher, as the Government has financed itself: through a steady stream of new gilt-edged issues.

London's stockjobbers are also seem to have grown. The a tap stock—121 per cent more than a little hurt by the small fim of gilt-edged jobbers. Exchequer 1383 which in press criticals that has been Wedd and Owen gave up trad- April was languishing below its the market at key moments in enoment broker at a discump of over £2. He would not go. al

> jobbers are taking such he speculative positions is obsci But to the extent that there is a discretionary element the jobbers risks cannot be viewed right side of the bargain, and as entirely normal commercial the users of the market gradually come to perceive that they are getting a bad deal.
>
> At the same time, it will be 1972, and Wedd and Owen in

Going short

As for equities, the £7.5m jobbers' short position in Gold Fields, subsequently filled in at a juicy profit, has attracted some notoriety. Of course, there are risks involved in such positions, for instance of a rival bisder. though in this case Akroyd had an extensive knowledge of the background.

-It can easily enough go the other way. In one of last week's raids, that organised by Capel-Cure-Myers-on Gough Cooper, the brokers deliberately made life difficult for short sellers by insisting on each settlement on Thursday. By Friday a nasty bear squéeze was in progress. -

But at a time when fairness ment broker as the potential in market dealings is acquiring supplier of a tap stock gives a higher priority than it used to. the jobbers the great advantage the jobbers cannot keep moving that they can go short with a along their present road. One expectation that of their problems is that they can do so profitably, of course. As one jobber puts it, in the depends on the official price wake of the Gold Fields affair. "If the ground rules are to be

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Deutsche Bank

'Formidable' Westward list for Cadbury

By Arthur Sandles

A "FORMIDABLE" LIST of reasons against return of Mr. of Westward Television is about to be sent to shareholders by the hoard of the company.

Lord Harris of Greenwich. the new chairman, so far on the losing end of the propaganda war with Mr. Cadbury, plans a major counter-offensive.

Mr. Cadbury took the conflict several stages further over the weekend. He made a formal call for a shareholders' meeting in a bid to regain the chair he lost at a board meeting two

He produced powers of attorney from owners of more than half the Westward votice stock, "The battle." he claimed. This is not the view of the Harris side. A circular to share-

the aid of lawyers, listing the board's reasons for opposing Mr. Cadbury. A weekend statement by the board said that it could only regret the decision by Mr. Cad-

holders is being prepared with

bury to seek an extraordinary meeting of shareholders. "This can only damage the reputation of the company. The hoard at its last meeting came to the conclusion with both was no longer possible to continue to conduct the business of a public company in the manner found acceptable by

Mr. Cadbury. "In addition, we believed that unless a change was made in the chairmanship of the company. Westward Television would lose its licence. That remains our view."

It is being said by the Harris side that for 11 of 14 members of the board of a public company to sign such a declaration against their former chairman is a rare City occurence.

A Westward board meeting will be held on Friday to set a date for the shareholders' meeting. Mr. Cadhury and his boardroom supporters, former deputy chairman Lord Lisburne and Mr. Harry Turner, will be at that meeting. It may be that proposed circular.

The hoard says it is not worried about Mr. Cadbury's powers of attorney. While these can force a shareholders' meeting, the directors believe they cannot be translated into actual votes on a resolution. Lord Harris and his colleagues rely on their list of evidence to swing the voting their way.

Mr. Cadbury was in a jubilant mod at the weekend. He suggested that the only honourable him could do would be to resign immediately, so that Westward could fight for renewal of its

curb soaring unemployment in

the regions is to be urged on the

Government this week by the

Commons Select Committee on

In a report which the Govern-

embarrassing, the committee has

haemorhage of employment is

so serious, particularly in Wales,

that the Government must

change tack and concentrate on

saving existing jobs, rather than

simply relying on measures such

as advance factories to create

Although chaired by an opposition MP, Mr. Leo Abse, Labour MP for Pontypool, the

vative majority with six Welsh

Tory MPs, four Labour and one

Liberal, and its recommenda-

tions are unanimous. It has

new job opportunities.

concluded the

spent five months investigating industry run down.

Welsh Affairs.

Labour steps up attack on employment record on the "disastrous effects" moderate pay settlements in of Government policies on the

BY PHILIP RAWSTORNE

Mrs. Margaret Thatcher will tomorrow strongly reaffir the Government's adherence to its economic strategy, in the face of the most bostile examination yet mounted in the Commons.

Mr. James Callaghan and Mr. Michael Foot will open a two-day test of the Government's policies in a full-scale debate on its Censure unemployment record.

Labour bitterness over the record total of unemployedwhich marked exchanges in the Commons last weekagain broke out in weckend

Mr. John Grant, a Labour

employment spokesman yes-terday accused the Prime Minister and Mr. James Prior of "cruelly conning" the outof-work. By suggesting work was available to those prepared to move, Mr. Grant said they

hopes as they have been to make false promises. Labour's attack tomorrow will be followed by another critical assault on Wednesday

were "as ready to raise false

industries

The Liberals will also mount a debate earlier the same day condemning the Government's "indifference" to the plight of small businesses. Faced with these growing among Conservative backbeachers, Mrs. Thatcher spent the weekend at Chequers pre-

paring to reassert vigorously tion to stick to its policies. The Prime Minister is expected to reiterate the message delivered at the weekend by Sir Geoffrey Howe, the Chancellor of the Exchequer: that the Government's strategy is "on course." She will point to the downturn in the

interest raies. She will emphasise Chancellor's theme that workers are pricing themselves out of jobs and try to drive home the need for

rate of inflation and the pros-

pects of further reductions in

the new wage round. But Mrs. Thatcher is also expected to temper her speech

with a promise of more Goveroment help for the unemployed.

Ministers looking at various ideas for extending aid to the young jobless in particular. The assistance, which will probably be announced in the autumn, could include more funds for existing schemes like the youth opportunities programme, more apprentice-ships with special grants to employers, and community

work projects. The public expenditure review now in progress may also involve reshuffling Government priorities to provide extra funds to help deal with unempioyment in 1981-82.

The Prime Minister will make it clear, however, that measures will not these deflect the Government from its central objective of curbing public expenditure and squeezing inflation out of the economy.

Parliamentary diary. Page 25

Row over U.S. move on telecommunications

BY GUY DE JONQUIERES

AN INTERNATIONAL political used as a pretext by European the funeral. row has flared over a U.S. pro-telecommunications administraposal to stimulate competition mons (PTTs) to clamp down on in the communications industry private circuits and force busiby relaxing the rules governing seas data and voice transmis-

The proposal by the Federal Communications Commission (FCC) would authorise businesses renting such circuits for their own use to sell surplus capacity to or share their lines with other companies. Many multinationals, particu-

larly banks, rent private lines to link their worldwide opera-But traffic outside normal office hours is often light, and they could save money if they were allowed to split costs with other users. There is a danger that the plan will backfire. Some U.S. nesses to rely on public net-

The State Department and the Pentagon are also worried. As major users of private circuits, they are concerned that the security of their communications would be jeopardised and costs increased by as much as seven-fold if they were required to rely on public net-

Mr. Leon Burtz, director of the ITU's Consultative Commit-tee on International Telegraph and Telephones (CCITT), has sent a stinging protest to the State Department, accusing the U.S. of reneging on its international commitments and of

companies fear that it will NCR to spend \$155m on

BY GUY DE JONQUIERES

American manufacturers general purpose computers, is major expansion of its capacity to produce advanced integrated

The investment programme, to be spread over four years and involving three of the company's U.S. sites, is believed to be the largest of its kind ever made by a computer manu-

Despite the onset of the U.S. recession. NCR's competitors have also been racing to build up their semiconductor production. In the past few months. Burroughs, and Sperry Univac have announced alans to invest

\$50m and \$50m respectively. IBM, which makes more semiconductors than any other combelieved to be planning increases in output, but it has released no details of these.

Continued from Page 1

during the 1973 war with Israel.

Mr. Sadat gave the former Iranian imperial family refuge when they first from Tehran in January. 1979, and again last when the Shah was forced to leave Panama for

pressing condolences to the Shah's faimly was warmer than might have been expected for an exiled and largely discredited

Continued from Page 1

Air fares

losses are expected if low fares

Shah dies

continued sanctuary.

once a close ally. news agency reported yester-

continue to be offered

lines have had to sustain only marginal profits or actual losses in order to stay on the route. Atlantic routes this year, shared by the 13 airlines flying between mated at U.S.\$500m. Further

showers developing. London. S.E., S. Central

Cloudy, some rain. Max. 200 South and Central Scotland

Cloudy, rain dying away later. Max. 16C (61F).

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i	Aigiers	S	29	84	Jersey	Ş	18	6
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Report will urge jobs subsidy BY ROBIN REEVES, WELSH CORRESPONDENT

akin to the regional employment year. premium, abolished in 1976 by ment is likely to find deeply Mr. Denis Healey, then Chancellor of the Exchequer.

machinery for creating new

employment opportunities.

A SELECTIVE jobs subsidy to job prospects in Wales and the

recognises that simply reintro- unemployment soared out of the question — it would run counter to EEC competitition rules — it will urge the Government to introduce some form of selective employment assistance to enable companies in difficulties to weather the present recession. The unanimous demand for

Welsh Committee has a Conser- Government efforts to be con- order book. Rumours abound

economy as a result of the steel

centrated on saving jobs stems that Mr. Ian MacGregor, BSC's

from the particularly bleak new chairman, will shortly prospect facing the Welsh recommend the outright shut-

The Welsh steel industry is bearing the brunt of the British Its report, to be published on retrenchment programme, with leaving under BSC's slimline Thursday, will evidently press over 20.000 jobs disappearing in scheme for running the two the Government for a scheme North and South Wales this South Wales strip steel plants North and South Wales this

Although many of these redundancies have yet to work their way through to the lay-offs in other sectors of industry and lack of work for school-leavers. Some forecasts predict it could reach 14 per cent

Fears of an even more radical

steel cutback are growing because of BSC's deteriorating

Llanwern, creating 5,000-10,000

more direct redundancies. This would be on top of the Corporation's drastic steelmen now in the process of South Wales strip steel plants at 40 per cent capacity.

Another cutback would create Welsh coal industry, already committee unemployment register, Welsh struggling under the impact of last a sharp drop in its market for ducing of the REP is probably month from 9 per cent to 10.6 coking coal and BSC's partial per cent as a result of heavy switch to cheaper imported sup-The National Coal Board's figures, to be published this

> steep rise in the South Wales coalfield's losses. The Coal Board has already suggested that, on present trends, up to 20 of the 35 remaining South Wales colleries might eventually have to close. with the loss of 15,000 of the down of Port Talhot and/or 26,000 miners' jobs in the coal-

The North Atlantic is already

one of the most competitive air

semiconductor production

their stay in Egypt. Mr. Sadat ditions as "still a bit sluggish." promised "maximum pomp" for He said this was because the Recalling his gratitude for

thte Egyptian Head of State promised the Shah's family

medical treatment.

The official U.S. statement ex-

leader, even though Iran was Reuter adds from Tehran: Iran's oil export revenue dropped by almost a half, in the Persian mothh ended July 22. to \$864m from \$1.61bn in the previous month, the official Pars

	Algiers	5	29	84	Jersey	Ş	18	54
	į Alasam,		-22	72	Jo burg	S	18	6
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	Bahrain	S	40			S	24	75
	Barcina.		24		London	С	20	68
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	Belfast	C	16	61	Luxmbg.	С	22	73
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	Berlin	F	24	75	Madrid	5	29	84
1	Biarritz	s	22		Majorca	S	26	79
	5mghm.	C	20		Malaga	Š	26	79
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